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Japan

More Reports on Alleged U.S. Auto Talks Spying

U.S. Not To Respond 'Publicly'

OW2010000595 Tokyo KYODO in English 2348 GMT 19 Oct 95

[FBIS Transcribed Text] Washington, Oct. 19 KYODO — A senior U.S. official said Thursday the United States will not respond publicly to Japan's request to look into reported spying by U.S. Intelligence agents during negotiations on automotive and auto parts trade earlier this year.

"If we share anything with the Japanese Government, we do it in private," the State Department official told reporters on condition of anonymity.

Against widespread expectations of some kind of official response, his remarks apparently reflected the U.S. Government policy of not commenting on intelligence matters.

On Monday, Ichiro Fujisaki, political minister of the Japanese Embassy in Washington, asked Assistant Secretary of State Thomas Hubbard to look into the alleged eavesdropping and other spying activities.

Hubbard promised that he would shortly offer a response after consultations within the administration, Fujisaki said.

A state department spokesman also confirmed earlier this week that Hubbard had promised a quick response.

The Japanese Government has expressed concerns that if THE NEW YORK TIMES report about the alleged spying incident is true, it could damage U.S.-Japan friendship and mutual trust.

THE NEW YORK TIMES reported Sunday that U.S. Trade Representative Mickey Kantor and his negotiators on automotive trade with Japan were provided with information gathered by the Central Intelligence Agency's Tokyo station and electronic eavesdropping equipment of the National Security Agency.

Hashimoto, Mickey Kantor Disagree

OW2010143595 Tokyo KYODO in English 1351 GMT 20 Oct 95

[FBIS Transcribed Text] Ripley, Britain, Oct. 20 KYODO — Japanese Trade Minister Ryutaro Hashimoto and his U.S. counterpart Mickey Kantor on Friday [20 October] took divergent stances toward reported spying by U.S. intelligence agents in bilateral auto and auto parts trade talks in June.

Hashimoto, minister of international trade and industry, told reporters, "I haven't said anything about whether or not I will bring up the matter (during talks with Kantor scheduled for Saturday morning)."

"I'll make a decision what to do depending on developments in the talks," Hashimoto said.

Meanwhile, U.S. Trade Representative Kantor told reporters he won't deal with the question.

Agents of the Central Intelligence Agency were reported to have eavesdropped on secret conversations between Hashimoto and representatives of the Japanese automotive industry during sensitive Japan-U.S. trade negotiations in Geneva in June.

Hashimoto and Kantor made the remarks ahead of the opening Friday of a two-day trade gathering which also includes Canada and the European Union.

Hashimoto's remarks apparently reflect Tokyo's desire to use the alleged economic espionage case as leverage to counter what it sees as unreasonable demands in bilateral trade negotiations, observers said.

Yoshihiro Sakamoto, vice trade minister for international affairs, who is accompanying Hashimoto on the current trip, said he does not think the matter will be left entirely untouched during the Hashimoto-Kantor talks although he said that is the kind of matter that should be dealt with by the trade minister.

Reportage on Okinawa Issues, Reaction Continues

Hayashi on Hawaiian's Proposal

OW1710140895 Tokyo MAINICHI SHIMBUN in Japanese 17 Oct 95 Morning Edition p 2

[FBIS Translated Text] At a press conference on 16 October, Administrative Vice Foreign Minister Sadayuki Hayashi commented on Hawaii Governor Benjamin J. Cayetano's offer, conveyed to Governor Masahide Ota of Okinawa Prefecture and other officials, to take over some of the U.S. military bases now located on Okinawa. Hayashi stated, "The reduction and realignment of the U.S. military bases is an issue that concerns both the U.S. and Japanese Governments," indicating that the government has no intention of asking Governor Cayetano about the proposal.

Fukuoka Assembly Protests Rape

OW1610083195 Tokyo KYODO in English 0714 GMT 16 Oct 95

[FBIS Transcribed Text] Fukuoka, Oct. 16 KYODO — The Fukuoka Prefectural Assembly unanimously adopted statements Monday [16 October] condemning nuclear weapons testing by China and France and the rape of an Okinawan schoolgirl, allegedly by three U.S. servicemen.

The statement condemning nuclear weapons testing called on the Japanese Government to ask China and France to halt their nuclear tests immediately.

The statement condemning the Sept. 4 rape called for a review of the Status of Forces Agreement, a bilateral agreement which gives special privileges to U.S. military personnel.

SDPJ Policy Urges Base Reduction

OW2010150995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 20 Oct 95 Morning Edition p 2

[FBIS Translated Text] The Social Democratic Party of Japan [SDPJ], at its Central Executive Committee session on 19 October, issued a party policy regarding "the solution and improvement of the problems related to U.S. military bases on Okinawa." Its action stems from Okinawa Governor Masahide Ota's refusal to sign by proxy compulsory land lease contracts for U.S. military use.

In this policy, the SDPJ demands the Japanese and American Governments to consider formulating a new plan for reorganization and retrenchment of the bases. Regarding the Japan-U.S. summit to be held during the November Asia Pacific Economic Cooperation (APEC) forum in Osaka, the SDPJ stresses: "We must clarify that the reconfirmation of the Japan-U.S. Security Treaty does not mean the Okinawan bases' function will be enhanced or that the bases will continue to stay on the island."

Union Urges 'Respect' for Ota

OW1710140995 Tokyo KYODO in English 1333 GMT 17 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 17 KYODO — A labor union of public employees in Okinawa called on the central government Tuesday [17 October] to "respect the refusal" of Okinawa Gov. Masahide Ota to sign documents necessary for forcing Okinawans to rent their land to the U.S. military.

Chikara Shimada, chairman of the Okinawa prefectural headquarters of the All Japan Prefectural and Municipal Workers' Union (Jichiro), visited Chief Cabinet Secretary Koken Nosaka and Defense Agency chief Seishiro Eto.

Shimada said the refusal should be respected because it is "the consensus of Okinawa residents."

He also called on the two ministers to review the Japan-United States Security Treaty, revise the bilateral agreement on the status of U.S. Armed Forces personnel and to reduce the number of U.S. bases in Japan, officials said.

Nosaka stopped short of saying the government will make efforts to reduce the number of bases, and that he will relay the request to Prime Minister Tomiichi Murayama, they said.

Spokesman Comments on Eto's Visit

OW2010044295 Tokyo KYODO in English 0406 GMT 20 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 20 KYODO — Defense Agency chief Seishiro Eto's visit to Okinawa could be counterproductive in trying to achieve a breakthrough in a dispute over the compulsory leasing of land to U.S. Forces on the southwestern Japanese island, a government spokesman said Friday [20 October].

"Considering Okinawans' feelings, there is concern that a visit by the head of the government agency in charge could offend them," Chief Cabinet Secretary Koken Nosaka told a news conference.

Although Eto is to visit Okinawa next Tuesday and Wednesday, Nosaka said the planned trip may be postponed due to the schedule of parliamentary deliberations.

Eto's visit, if realized, would attempt to soothe the anger of Okinawans over former Defense Facilities Administration Agency chief Noboru Hoshuyama's remarks urging a quick decision to continue leasing of land to U.S. forces, Nosaka said.

Hoshuyama resigned Thursday in the face of intense pressure from government and ruling coalition party leaders who harshly blamed him for his deviation from the government policy of seeking understanding of Okinawa Prefecture about the land leasing issue via dialogue, rather than via legal procedures.

Okinawa Gov. Masahide Ota has staunchly refused the central government's request for cooperation over the forced rental of land owned by Okinawa residents for use by U.S. Forces on the island.

Meanwhile, Eto told a news conference he is planning to visit Okinawa for talks with Ota as scheduled. But he also said the plan should be rescheduled depending on the schedule of Diet business.

Following the rape of a 12-year-old schoolgirl in Okinawa on Sept. 4, for which three U.S. servicemen have been indicted, there have been strident calls among local residents for the reduction of U.S. military presence in the prefecture.

Prime Minister Tomiichi Murayama said earlier this week it is necessary to discuss the basic framework of Japan-U.S. security arrangements.

There are nearly 30,000 U.S. troops in Okinawa, where about 75 percent of U.S. military facilities in Japan are located.

Based on the law on land expropriation for U.S. forces, the central government is preparing to have some 2,900 Okinawan landowners agree to the continued leasing of their land before the expiration of the current arrangements in March 1996 and May 1997.

But the landowners, who possess some 387,000 square meters of land inside 13 U.S. forces' facilities, have refused to renew the leases.

Defense Agency Head Delays Visit

OW2010124595 Tokyo KYODO in English
1222 GMT 20 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 20 KYODO — Defense Agency chief Seishiro Eto decided Friday [20 October] to postpone the scheduled visit to Okinawa next week aimed at persuading Gov. Masahide Ota to agree to the continued rental of local land to U.S. Forces there, officials said.

Eto has notified the prefectural government of the decision, and the agency will try to rearrange the visit at an early time, the officials said.

The Defense Agency chief made the decision because of matters of parliamentary scheduling, the officials said.

The decision came after Noboru Hoshuyama resigned Thursday as chief of the Defense Facilities Administration Agency in the face of intense pressure from government and ruling coalition party leaders over his remarks criticizing Prime Minister Tomiichi Murayama's handling of the issue.

Hoshuyama allegedly said the dispute arose because Murayama is "not clever," and stressed the need for the prime minister to use legal procedures to force the continuation of the land leases if the current stalemate is not broken.

Eto originally planned to visit Okinawa on Tuesday and Wednesday to seek cooperation from Ota on the issue.

Chief Cabinet Secretary Koken Nosaka earlier said the visit by the head of the Defense Agency could offend the Okinawans.

Nosaka said the government will seek to resolve by late November a dispute with the Okinawa prefectural government over the land issue.

"We firmly believe it is our task, duty and mission to resolve the row" ahead of an upcoming summit between Prime Minister Tomiichi Murayama and U.S. President Bill Clinton, Nosaka told a news conference.

The central and local governments have been at loggerheads over the issue of renting land to U.S. Forces in Okinawa since the rape of a primary schoolgirl in the prefecture in September, for which three U.S. servicemen have been indicted.

Ota has refused the central government's request that he sign documents to compel renewal of leases on land owned by Okinawa residents for use by U.S. Forces on the island. The governor began refusing to sign lease orders as the outcry over the rape case grew in Okinawa.

"Basically, we would like to resolve the issue as quickly as possible. But we don't expect a smooth settlement, because this is a serious matter with both international and domestic repercussions," Nosaka said.

There are nearly 30,000 U.S. troops in Okinawa, where about 75 percent of the U.S. military facilities in Japan are located.

In accordance with the law on land expropriation for U.S. Forces, the central government is preparing to have some 2,900 Okinawan landowners agree to the continued leasing of their land before the expiration of the current arrangements in March 1996 and may 1997.

But the landowners, who possess some 387,000 square meters of land within the boundaries of 13 U.S. Forces' facilities, have refused to renew the leases.

If landowners and municipal leaders refuse to sign the necessary documents on the land leases, Japanese law requires the governor to sign the documents. If the governor also refuses, the prime minister can file a suit demanding that the governor carry out his duties.

At the summit with Clinton in Tokyo that will follow a series of high-level dialogues of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka, Murayama may have to broach the topic of continued land leasing, depending on the dispute's development, Nosaka said.

Murayama said earlier this week it is necessary to discuss the basic framework of Japan-U.S. security arrangements domestically.

President Clinton's Trip Considered 'State Visit'

OW2010003995 Tokyo KYODO in English
0032 GMT 20 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 20 KYODO — U.S. President Bill Clinton will visit Japan from Nov. 17 through 21 to attend the Asia-Pacific Economic Cooperation (APEC) forum and to hold talks with Prime Minister Tomiichi Murayama, the Foreign Ministry said Friday.

Clinton will attend the informal APEC summit meeting in Osaka on Nov. 19 and hold talks with Murayama in Tokyo on Nov. 20, the ministry said.

The Murayama cabinet decided at a meeting Friday morning to treat Clinton's Nov. 19-21 itinerary as a state visit, officials said.

The U.S. President and his wife Hillary will also meet Emperor Akihito and Empress Michiko during their stay in Tokyo.

Clinton previously visited Japan in July 1993 to attend the Group of Seven (G-7) summit meeting and to meet then Prime Minister Kiichi Miyazawa.

U.S. Decides To Cut JAL's Hawaii Flight Term

OW1610110695 Tokyo KYODO in English
1022 GMT 16 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 16 KYODO — The U.S. Government has decided it will cut a licence term of a Japan Airlines (JAL) flight between Sendai, northeastern Japan, and Honolulu in Hawaii, by half a year, officials at the Transport Ministry said Monday [16 October].

Until now, the flight term has been set for a year, but the U.S. Government will shorten it to six months.

The current licence term will expire at the end of October, and the new term will be valid until April 1, next year, the officials said.

The decision seemed to be made with the aim of prompting the Japanese Government to comprise [as received] in the Japan-U.S. Aviation talks, which will continue until next March due to a wide gap between both countries in the so-called beyond-rights, the officials said.

Takemura Downplays U.S. House Hearing on Banks

OW1710015495 Tokyo KYODO in English
0046 GMT 17 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 17 KYODO — Finance Minister Masayoshi Takemura on Tuesday [17 October] downplayed the significance of a public hearing Monday in the U.S. Congress on Japan's banking problems.

"Views and comments aired in the hearing do not represent public opinion in the United States," Takemura told a news conference.

Takemura said he has heard that the one-day hearing in the U.S. House of Representatives committee ended calmly.

Japan's banking system, staggering under the heavy load of problem loans, was dealt another blow with the exposure of fraud in Daiwa Bank's U.S. operations.

Daiwa Committee Investigates U.S. Subsidiary

OW1710075595 Tokyo KYODO in English
0734 GMT 17 Oct 95

[FBIS Transcribed Text] Osaka, Oct. 17, KYODO — Daiwa Bank has set up a committee headed by its president Takashi Kaiho to investigate the cause of the huge loss incurred at its U.S. trust subsidiary, bank officials said Tuesday [17 October].

The committee of 10 officials, chiefly from the bank's inspection department, will talk mainly to members of the firm's own international business department about the delay in informing U.S. financial authorities of the losses, they said.

Additionally, the committee is expected to ask those employees about suspicions that Daiwa staff took measures to conceal the incident, the officials said.

Daiwa Bank Trust Co, the U.S. subsidiary, set up a dummy company in Cayman Island, in the West Indies, to conceal the entire 97 million dollar loss as of 1987, caused by the subsidiary's off-the- book trading of U.S. Treasury bonds, they said.

The dummy company was liquidated in the summer of 1994, they said.

The committee will hear explanations from former Daiwa executives related to the way the losses were disposed of, they said.

EU Asks Part in Follow-Up Auto, Chip Talks

OW1910104795 Tokyo SANKEI SHIMBUN
in Japanese 18 Oct 95 Morning Edition p 9

[FBIS Translated Text] The European Union [EU] has asked Japan to allow it to take part in all follow-up meetings designed to check the progress of auto and semiconductor trade in accordance with the Japan-U.S. agreement on U.S. companies' access to the Japanese market, a top leader of the Ministry of International Trade and Industry [MITI] disclosed 17 October. By participating in the meetings, the EU aims to promote sales in Japan while holding the United States in check.

Although the EU seems to have made the same proposal to the United States, the United States' answer is not known yet. MITI is negative about EU participation because pacts in the two trade areas are bilateral agreements.

MITI: U.S. Ahead in Information Industry

OW1910123895 Tokyo KYODO in English
0948 GMT 19 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 19 KYODO — The government should support the Japanese information industry to help close the gap with the U.S. industry, the trade ministry said in a report Thursday [19 OCtober].

To help activate the Japanese industry, the government needs to take such measures as support for software houses and protection of information transmitted through the internet personal computer communications network, the Ministry of International Trade and Industry (MITI) said.

Demonstrating the gap between the Japanese and U.S. information industries, MITI said that capital spending by the Japanese industry has kept decreasing since 1992 in contrast with a persistently steep increase in the U.S. industry.

In addition, the number of workers employed by Japanese information companies peaked at 1.31 million in 1991 and has since been on the decline, hitting 1.24 million in 1993, MITI said. The U.S. industry has maintained its workforce at around 2 million since 1989.

The gap between the two industries is attributable to Japanese corporate executives' lack of understanding about the importance and increasing use of information, MITI said.

Japanese, French Socialists Urge Test Ban

OW1810114895 Tokyo KYODO in English
1009 GMT 18 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 18 KYODO — France's Socialist Party and Japan's Social Democratic Party issued a joint statement Wednesday [18 October] urging an immediate halt to French nuclear tests.

"As we commemorate the 50th anniversary of the atomic raids on Japan, we have more than ever the duty to remind ourselves of this tragedy and its causes and to hand down the memory of it to future generations," the statement said, alluding to wartime aggression by Japan and Germany.

Pointing to the indefinite extension of the nuclear nonproliferation treaty earlier this year and ongoing negotiations for a global ban on nuclear tests, the statement noted that initiatives toward abolishing nuclear weapons have gained momentum in the wake of the end of the Cold War.

By going ahead with two nuclear tests in the Pacific in defiance of international public opinion and the historical trend toward nuclear disarmament, French President Jacques Chirac "risks isolating France in the international community," the statement warned.

The parties further vowed to "make concerted efforts to make the French Government rescind its decision to resume nuclear tests and stop such tests."

Murayama-Chirac Meeting in New York Canceled

OW2010041995 Tokyo KYODO in English
0410 GMT 20 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 20 KYODO — France has canceled a planned meeting in New York on Sunday between Prime Minister Tomiichi Murayama and French President Jacques Chirac, the Foreign Ministry said Friday [20 October].

Ministry officials said the French Government has informed Japan that Chirac would not be able to fit the meeting into his schedule.

Both will be in New York for a special session of the UN General Assembly.

Murayama is also scheduled to meet Chinese President Jiang Zemin.

The government arranged the meetings so that Murayama could once again call on the two countries to stop testing nuclear weapons, according to ministry sources.

Leaders from some 150 of the 185 UN member countries will join the special meeting to commemorate the 50th anniversary of the United Nations.

A Foreign Ministry official said the cancellation was purely because of the tight schedule of both leaders, who will only be in New York simultaneously for two or three hours on the morning of Oct. 22.

"The Japanese and the French sides have been working to arrange a meeting despite the tight schedule, but we couldn't fix it," the official said.

The official said the French had been cooperative in trying to arrange the meeting although they knew Murayama would again protest the French nuclear testing in the talks with Chirac.

He also said it is unlikely for Murayama and Chirac to hold talks before the end of the year but that Japan will continue to protest the French nuclear testing at various levels.

Kono 'Frankly Surprised' by Dismissal of Kozyrev

OW2010025595 Tokyo KYODO in English 0240 GMT 20 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 20 KYODO — Japan expressed surprise Friday [20 October] over Russian President Boris Yeltsin's decision to fire Foreign Minister Andrey Kozyrev.

At a press conference, Foreign Minister Yohei Kono said he has come to the point of holding frank discussions with Kozyrev through several talks with the Russian minister and that he was "frankly surprised" to hear of the planned dismissal announced by Yeltsin.

But Kono said he does not know how Kozyrev's replacement would affect Japan-Russia relations.

He described the outgoing Russian foreign minister as being "not indulgent with Japan" and as someone who made various efforts for Japan-Russia relations based on the Tokyo declaration signed during Yeltsin's visit to Japan in 1993.

The declaration called for a solution to the long-standing bilateral territorial dispute based on the principles of "law and justice."

The territorial row involves four islands off Hokkaido which were seized by the former Soviet Union at the end of World War II.

On Thursday, Yeltsin reportedly told a news conference that he plans to dismiss Kozyrev, expressing dissatisfaction with his inability to coordinate foreign policy issues with other ministries.

Kozyrev's dismissal has been demanded both within and outside of parliament.

Takemura Denounces PRC for Nuclear Tests

OW1710105095 Tokyo YOMIURI SHIMBUN in Japanese 15 Oct 95 Morning Edition p 2

[FBIS Translated Text] A symposium on the postwar period was held in the Nagoya International Convention Hall under the sponsorship of ASAHI SHIMBUN on 14 October. Speaking at this symposium, Finance Minister Masayoshi Takemura (representative of the New Party Sakigake) [Harbinger] criticized the nuclear tests held by France and China, and said: "France and China have confined their concerns only to their own security and nationalism."

Responding to these statements, PRC officials have said: "It is self-contradictory for Japan to maintain its opposition to nuclear tests while depending on the U.S. nuclear deterrent." Commenting on this response, Finance Minister Takemura noted that the continuation of nuclear testing violates the principle of nuclear disarmament as stated in the Nuclear Non-Proliferation Treaty (NPT) and that Japan would not need to depend on the U.S. nuclear deterrent if there were no nuclear states, such as China. Takemura went on to say that: "A country that possesses nuclear arms has no right to denounce us; it indicates a lack of respect for those countries that have pledged never to possess nuclear arms.

ROK Urges Consideration of Inter-Korean Talks

OW1710121395 Tokyo KYODO in English 1139 GMT 17 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 17 KYODO — South Korea urged a senior Japanese ruling party official Tuesday [17 October] to bear in mind the dialogue between North and South Korea if Tokyo resumes normalization talks with Pyongyang.

South Korean Ambassador to Japan Kim Tae-chi made the request in talks with Taku Yamasaki, chairman of the Liberal Democratic Party's Policy Affairs Research Council.

"Because South Korea regards the promotion of South-North dialogue as extremely important, I want Japan to consider the point fully as it proceeds in relations with North Korea," Kim was quoted by Japanese officials as telling Yamasaki.

Yamasaki agreed with Kim, according to the officials.

Tokyo and Pyongyang began normalization talks in early 1991, but dialogue broke down in late 1992 when North Korea rejected Japan's demand for information about a Japanese woman allegedly abducted by North Korean agents.

Japan, which ruled the Korean peninsula from 1910 to 1945, normalized ties with South Korea in 1965 but has no official ties with the North.

In talks with Yamasaki, Kim also called on the Japanese Government to give voting rights to South Korean residents in Japan.

Kim was quoted as telling Yamasaki that South Koreans should be given suffrage ahead of other foreign residents.

Yamasaki declined to give an answer to the demand, Japanese officials said.

Kono: Japanese Rule Not Cause of Korea Division

OW1710062995 Tokyo KYODO in English 0246 GMT 17 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 17 KYODO — Foreign Minister Yohei Kono on Tuesday [17 October] denied South Korean President Kim Yong-sam's suggestion that the basic cause of the division of the Korean peninsula lies in the colonial rule of Korea by Japan.

"We don't think the direct cause of the division into South and North lies in Japan," Kono told a press conference, adding he thinks everyone remembers the discussions when the 38th parallel was fixed.

In an interview with the NEW YORK TIMES on Sunday, Kim urged Japan to fully repent its past mistakes, saying the "cause of the Korean division basically lies in the colonial rule of Korea by Japan."

Japan ruled the Korean peninsula from 1910 until the end of World War II in 1945.

Kim also said in the interview that Japan is impeding South Korea's unification efforts by, for instance, negotiating rice aid deliveries to North Korea over the head of South Korea.

Hashimoto Leaves for Quadrilateral Trade Talks

OW1910050295 Tokyo KYODO in English 0342 GMT 19 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 19 KYODO — International Trade and Industry Minister Ryutaro Hashimoto left Thursday [19 October] for London to attend ministerial talks with Japan's three major trading partners.

The quadrilateral meeting, to be attended by trade ministers from Japan, the United States, Canada and the European Union, will be held in Ripley, northern England, on Friday and Saturday.

Hashimoto is scheduled to pay a courtesy call on British Prime Minister John Major before traveling to Ripley in Yorkshire for the quadrilateral session, Japanese officials said.

He is to return to Tokyo on Sunday afternoon.

The quadrilateral meeting is expected to focus on world trade systems after the Uruguay Round multilateral trade accord.

Solons: Exempt Farming From APEC Principle

OW1310045595 Tokyo KYODO in English 0208 GMT 13 Oct 95

[FBIS Transcribed Text] Washington, Oct. 12 KYODO — Japanese lawmakers representing agricultural constituencies Thursday [12 October] urged the United States to accept Japan's demand that agriculture be excluded from the comprehensive principle of the Asia-Pacific Economic Cooperation (APEC) forum, Japanese delegation sources said.

A delegation of lawmakers from the Liberal Democratic Party (LDP), one of the three ruling coalition parties, made the request during a meeting with U.S. Trade Representative Mickey Kantor.

Kabun Muto, former foreign minister and the head of the delegation, was quoted as saying it is politically impossible for Japan to show further commitment on farm liberalization because the country just began to import rice under the Uruguay Round accords.

But Kantor renewed Washington's stance upholding the principle of comprehensiveness, or uniform application of APEC free trade rules to all industrial sectors without exception.

The comprehensive principle is one of nine general principles expected to be included in action guidelines for APEC's declared goal of free trade and investment by 2020.

It is the most prominent sticking point in this year's APEC talks, which culminate in the Nov. 19 meeting by the 18 APEC leaders in Osaka.

High-level meetings in Tokyo this week failed to bridge the gap between the two camps — Japan, South Korea, China and Taiwan which called for agricultural exemptions — and the remaining 14 economies led by agricultural exporting economies like the U.S. and Australia.

Official Rules Out Concession on APEC Issue

OW1310092095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 Oct 95 Morning Edition p 5

[FBIS Translated Text] Concerning the Asia-Pacific Economic Cooperation (APEC) forum's action program to promote trade liberalization, a top official at the Ministry of Foreign Affairs on 12 October touched on the difficulty of policy coordination because the United States and other member nations strongly oppose the chairman's proposal presented by Japan which allows some exceptions in the agricultural and other fields. He said: "If trade liberalization has to be promoted without exceptions, the Liberal Democratic Party cannot survive; the other political parties cannot survive." He stressed that there is no room for Japan to make a political concession.

Moreover, he pointed out that "every member nation has certain sensitive areas (where domestic coordination will be difficult)." He indicated that Japan will continue to urge the member nations to understand its current proposal.

Australia Agrees To Cooperate on Farm Issue

OW1310095295 Tokyo KYODO in English
0901 GMT 13 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO — Japan and Australia agreed Friday [13 October] to cooperate in solving issues at the Asian-Pacific Economic Cooperation (APEC) forum which will hold high-level meetings in Osaka next month, government officials said.

The officials said the agreement was reached at a 30-minute meeting between Ryutaro Hashimoto, minister of international trade and industry, and Australian Trade Minister Bob McMullan.

McMullan is in Tokyo to attend a Japan-Australia economic conference opening Sunday.

The officials said Hashimoto and McMullan affirmed that the problem of whether to exempt farm produce from trade and investment liberalization in the region should be solved at ministerial meetings of member economies.

The two ministers will maintain close contact on the issue and hold a telephone conversation whenever necessary, the officials said.

Hashimoto explained Japan's official position on the matter and McMullan said Australia is not pressing for comprehensive liberalization without exception, the officials said.

Official on Opposition to APEC Farm Plan

OW1810093995 Tokyo KYODO in English
0917 GMT 18 Oct 95

[FBIS Transcribed Text] Osaka, Oct. 18 KYODO — A senior government official reiterated Wednesday [18 October] that Japan will oppose total liberalization of farm trade at a high-level conference of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka next month.

Koichi Haraguchi, director general of the Foreign Ministry's Economic Affairs Bureau, said in a lecture that a flexible approach should be taken on the issue.

He said Japan is not opposed to liberalization of farm trade without exceptions but it cannot remove tariffs on rice imports at this stage.

The farm issue will be a focal point of discussions at the APEC's conference in Osaka.

A political settlement will be required for the issue at next month's APEC meeting as no agreement has been reached at the forum's high-level working sessions so far.

Kuwaiti Head of State Meets Emperor Akihito

OW1910083495 Tokyo KYODO in English
0800 GMT 19 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 19 KYODO — Kuwaiti head of state Jabir al-Ahmad al-Sabah met with Emperor Akihito at the Imperial Palace on Thursday [19 October], the Imperial Household Agency said.

The amir, who arrived in Japan on Wednesday for a three-day official visit, expressed his gratitude for Japanese assistance to Kuwait during the Persian Gulf war, agency officials said.

In response, the emperor thanked Amir Jabir for Kuwaiti donations to the victims of the powerful earthquake that hit Kobe and its vicinity in January.

Crown Prince Naruhito later joined the two for a luncheon, the officials said.

After concluding his visit to Japan, the Kuwaiti head of state will fly to New York, where he will deliver a speech to a special UN General Assembly session commemorating the 50th anniversary of the world body's founding.

Cabinet Supports Bill To Strengthen SDF Role

OW1310044395 Tokyo KYODO in English
0100 GMT 13 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO — The government decided at a cabinet session Friday [13 October] on a bill designed to allow Self-Defense Forces (SDF) personnel to be assigned to international organizations without switching their status to civilians, government officials said.

Prime Minister Tomiichi Murayama's administration hopes to win the bill's passage during the current session of the Diet, the officials said.

If approved, the measure would permit SDF members to participate directly in international organizations such as the Department of Peacekeeping Operations at the United Nations.

Up until now, SDF staffers have been assigned to UN agencies and other international organizations after their status has been changed to diplomats.

Because of their civilian status, these SDF staffers have not received special allowances for their hazardous postings abroad.

The officials said the Murayama cabinet decided to proceed with introducing the bill to the Diet because similar problems may surface once Japan decides to send SDF personnel to North Korea and other countries as members of the organization for prohibition of chemical weapons upon a request from the U.N.

Advisory Panel Discusses Reforming UNESCO

OW1310131595 Tokyo KYODO in English 1247 GMT 13 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO — A private advisory panel to Prime Minister Tomiichi Murayama on Friday [13 October] discussed ways to reform the UN Economic and Social Council [UNESCO] in a bid to weed out global poverty, which it said is the root cause of all evils on the earth.

The 10-member panel, chaired by Kinhide Mushakoji, a professor at Meiji Gakuin University, also exchanged views on the importance of administrative and fiscal reforms of the world body, Mushakoji told reporters.

The panel's gathering came as the last of a series of three meetings prior to Murayama's attendance at a special session of the UN General Assembly later this month marking the 50th anniversary of the UN founding.

Murayama is scheduled to visit New York on Oct. 21-23. He will deliver a speech before the general assembly on Oct. 22, the opening day of the three-day extra parley.

The group also cited the need for the premier to touch, in his planned speech, on preventive diplomacy in settling regional conflicts, opposition to nuclear testing, reform of the UN Security Council, the environment and human rights.

Additional Financial Aid to Bosnia Considered

OW1310144095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 Oct 95 Morning Edition p 2

[FBIS Translated Text] The government has welcomed the ceasefire agreement that took effect in Bosnia-Herzegovina on 12 October, and has decided to earnestly study the provision of financial assistance to Bosnia for its reconstruction and restoration. It will decide on the scale of the financial aid and select projects for the aid program after carefully examining the progress of peace talks during the ceasefire, including efforts to conclude a peace treaty. The government has decided to actively provide assistance because "the results of Bosnian peace efforts will be a great factor in determining the future of international order in the post-Cold War era" (as stated by a senior Foreign Ministry official).

For the time being, Japan will provide financial aid through international organizations such as the Office of the UN High Commissioner for Refugees (UNHCR) and the World Bank for such purposes as rescuing refugees. If a central government is established in Bosnia following the conclusion of a peace treaty, Japan will recognize Bosnia as a state and begin full-scale bilateral economic assistance primarily by using Official Development Assistance (ODA) funds.

In the past four years, Japan has supplied about $180 billion in financial aid to Bosnia, mainly to help refugees. It is expected to provide more for the reconstruction of Bosnia following the conclusion of a peace treaty.

Tokyo Grants Food Production Aid to Philippines

OW1310060695 Tokyo KYODO in English 0350 GMT 13 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO — Japan has extended to the Philippines a grant-in-aid of up to 1.65 billion yen to help the country boost food production, the Foreign Ministry said Friday [13 October].

Philippine Foreign Minister Domingo Siazon and Japanese Ambassador to the Philippines Yoshifumi Matsuda exchanged documents on the aid in Manila earlier in the day, the ministry said.

The Japanese aid will be used to help the Philippines purchase fertilizers, agricultural chemicals and equipment necessary to increase food production.

Ex-Im Bank Offers Untied Loan to Czech Railways

OW1810071195 Tokyo KYODO in English 0639 GMT 18 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 18 KYODO — The Export-Import Bank of Japan signed a contract Wednesday [18 October] to provide a 12 billion yen untied loan to the national railways of the Czech Republic, bank officials said.

The government-backed bank said the Czech Railways will use the loan, to be offered in coordination with Fuji Bank and three other Japanese commercial banks, to strengthen its tracks for high-speed train operations.

The Ex-Im Bank accounts for 8.4 billion yen of the total loan, with the rest coming from the commercial banks.

Foreign Ministry Announces Loans to Bulgaria

OW1810120495 Tokyo KYODO in English 1113 GMT 18 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 18 KYODO — Japan will offer Bulgaria official loans of up to 8.03 billion yen to finance two projects aimed at fighting pollution, the Foreign Ministry said Wednesday [18 October].

It will be the first time for Japan to give Official Development Assistance (ODA) for environmental projects in Bulgaria.

Bulgarian Foreign Minister Georgi Pirinski and Japanese Ambassador to Bulgaria Yoshihiro Jibiki exchanged documents on the aid in Sofia earlier in the day, the ministry said.

The yen credits include a loan for a 2.08 billion yen project to improve various types of equipment used at a copper refinery in Eliseina, about 50 kilometers northeast of Sofia.

The loans also include 5.95 billion yen to finance a project to beef up a zinc refinery in Plovdiv, some 140 kilometers southeast of the capital.

The 30-year credits, with a grace period of 10 years, carry an annual interest rate of 2.7 percent.

LDP, Soka Gakkai at 'War' Over Religious Law

OW2010124495 Tokyo AERA in Japanese 16 Oct 95 pp 6-8

(Article by Taro Sato, AERA editorial board member: "Truths and Untruths About the War Between the LDP and Soka Gakkai")

[FBIS Translated Text] It happened immediately after this summer's upper house election, which ended with a remarkable advance by Shinshinto [New Frontier Party; NFP].

Ichiro Ozawa, NFP secretary general, and Toshiki Kaifu, party leader, asked for an interview with honorary Soka Gakkai Chairman Daisaku Ikeda and chief executives, partly to offer thanks. However, Ikeda did not meet them. Instead, he named several vice chairmen considered to be on a par with Chairman Einosuke Akiya. The honorary chairman may have wanted them to meet him alone for a talk.

The people "nominated" by Ikeda included Isao Nozaki, chief of the Tokaido District, who is also in charge of politics, and Ryuzo Nishiguchi, chief of the Kanasai District, and others. They are all general managers well versed in the situations in their electoral districts. It is certain that after the courtesy call, they talked with Ozawa about adjustment of candidates for general elections.

Honorary Chairman Ikeda still reigns over Chairman Akiya, who controls about 250 chairmen. It seems Ikeda's influence has become particularly great since the upper house election.

Ikeda yelled at Diet members of the former Komeito [Clean Government Party]: "I am always taking the brunt of the attack! Why do you not fight on your own initiative? Now is the time to destroy the demon of power."

Afterward, Ikeda cross-examined each Diet member in quick succession about the situation in every electoral district in the whole country. Naturally, Diet members cannot immediately explain the situations of all electoral districts other than their own. There were young Diet members who could only blink their eyes like chicks. This is what happened in Karuizawamachi, Nagano Prefecture, where the midsummer sunlight was dazzling. Soka Gakkai's Karuizawa Training Seminary is located in the town. Summer training was held as usual, from the end of July to the middle of August.

While the Nagano Prefecture general meeting and a leaders' training session were being held, Ikeda and former Komeito members held interviews. These are usually held for several days by groups. According to a certain participant, Ikeda's yelling was heard in one of the interviews.

At that time, the LDP was actively moving to amend the Religious Corporation Low during the extraordinary session of the Diet now in session. After seeing Soka Gakkai's latent power in the recent upper house election, the LDP tried to bash Soka Gakkai by arguing for amending the Religious Corporation Law; the argument became fervent, triggered by the Aum Shinrikyo cult affair. Naturally, the Soka Gakkai side had to be sensitive.

At one corner of the wood, where the laughter of tourists sounded, there was a sense of strain that seemed out of place at a summer resort.

After interviews with Ikeda, Diet members had a social gathering with Chairman Akiya. The gathering is traditional, a chance for the chairman to explain the honorary chairman's comments to Diet members and drive home his lessons to them.

They had a heated discussion: "What is the true meaning of the honorary chairman's comments? How should we interpret his words, and how should we act?"

The result of the social gathering with Chairman Akiya was as follows: "The amendment to the Religious Corporation Law should be torpedoed."

However, Chairman Akiya explained that Ikeda did not mean they should conduct wayside speeches or signature-collecting campaigns to block the amendment.

Diet members racked their brains over what they should do to torpedo the amendment.

Usually, Diet members go out for a drink after training, but the atmosphere was so subdued that no one "felt like going out for a drink" this year.

Following Ikeda's comments, Chairman Akiya emphasized, at a leaders' meeting at the headquarters and at an all-Japan young leaders' meeting held 5-6 September: "At the root of the intention of the government and the ruling parties lies a very dangerous idea that paves the way for regulation and control of religion, as well as for oppression of Soka Gakkai by state power."

The LDP's Policy Research Council Chairman Koichi Kato (present secretary general), who visited South Korea on 3 September, made a statement that can be construed as criticizing Soka Gakkai: "Essentially, a religion is incompatible with parliamentary democracy because its followers act on the basis of principles laid down by the founder of the religion. It is unpardonable for religion to occupy the center of government." Thus he showed the LDP's intention to tackle seriously the amendment of the Religious Corporation Law.

In his speech, Chairman Akiya criticized Kato's remark, saying: "His remark is a serious reproach and a very sacrilegious act against every religion in the world. It is a discriminatory remark against followers."

An underground relationship between the LDP and Soka Gakkai has been kept in delicate balance since the LDP's one-party administration. Now an exchange of bitter words, like an all-out war, has begun to develop between them.

In fact, Soka Gakkai has been sending the following directive to local organizations since the end of last year, when its new political party was formed. At an all-Japan district chiefs' meeting or at a central meeting, Chairman Akiya said: "Be sure to establish contacts with LDP prefectural branch chairmen and secretaries general through various sources and build better human relations with them, without promising that 'Soka Gakkai will give electoral cooperation to the LDP.'"

In many local assemblies, the LDP-Komeito ruling-parties alignment is still in full force. There are social relations between LDP and Komeito assemblymen; the heart of this directive is establishing good relations between local Soka Gakkai and LDP leaders.

Such a move can be said to be a two-way strategy born of Soka Gakkai's instinct for self-preservation, which tries not to be engulfed in political realignment. Soka Gakkai aims to establish a way to make contact with local LDP members at any time through a communication network.

In retrospect, since August 1993, when the non-LDP Hosokawa coalition government was formed, the LDP, then the opposition party, has been conspicuous for its "Komeito and Soka Gakkai bashing." The LDP restrained Soka Gakkai by speech and behavior, and Komei and Soka Gakkai overreacted together again and again. However, even in the midst of all this, human relations between the LDP and Soka Gakkai have not been interrupted but maintained, with former Tanaka and Takeshita faction members as central figures.

"The relationship between Soka Gakkai and the LDP at the local level should be expanded more than at the central level." That is what Soka Gakkai is aiming at. Soka Gakkai has had to change its strategy for survival like a chameleon, according to the political situation at a particular moment. One cannot help feeling that this is the fate of a colossal religious organization that has grown on a culture ground called politics.

The expansion of the Soka Gakkai-LDP relationship at the local level has not been progressing smoothly, due to serious incidents that shook Japan this year, like the Great Hanshin Earthquake and the Aum Shinrikyo affair. However, unified local elections have led to new human relations, and there are also districts where human relations have been initiated in earnest since June.

Komei group leader Tomio Fujii of the Metropolitan Assembly, who also represents "Komei" organized with local assemblymen as central figures, met with the LDP's influential leader in Tokyo in mid-September.

Fujii said: "If you press and push pertinaciously, other religious organizations will leave the LDP and take sides with the NFP. Take your time."

The LDP's influential leader said: "I know that. The truth is that I do not think we should go ahead stubbornly with this matter."

It is said that such a conversation took place. When I asked Fujii to make sure of that, he said: "I cannot say whom I met and what I talked about. However, I associated with the LDP's great men in the Tokyo governor's election. I told various LDP people that the Religious Corporation Law amendment is a double-edged sword."

There is another story. At an all-Japan prefectural chairmen's meeting at the end of August, the Kanto District chairman was told by the central district chairman that he is positively working on the influential LDP men who held the three key LDP posts in the past.

It is a categorical proposition that the LDP should win the next general election under President Ryutaro Hashimoto. A shorter way for the LDP to bash the NFP is to give voters the impression that "the NFP and Soka Gakkai are the same" in regard to the Religious Corporation Law amendment.

President Hashimoto says: "It is natural that the findings of the Religious Corporation Law Study Council should be made law. However, I do not think we should set a time limit for adoption. This issue requires thorough discussion."

Hashimoto is not necessarily particular about enactment in the present Diet session. His executives have a strong anti-Soka Gakkai coloring, like Taku Yamasaki, Policy Research Council Chairman, and Shizuka Kamei, Organization and Information Chief. Therefore, the usual communication between the LDP and Soka Gakkai is in jeopardy. Will communication between them continue or taper off?

A former LDP Obuchi faction member, who received Soka Gakkai's assistance in the last general election, says: "Elections are like the finals between Takanohana and Wakanohana [brothers who are sumo wrestlers of the highest and second highest rank]. We are on intimate terms with each other, but we cannot afford to be negligent in the ring. We must make every effort to win."

The NFP, which is receiving assistance from Soka Gakkai, is now devoting itself solely to defending itself against the LDP's shaking. General Secretary Ozawa said: "There is some danger the Religious Corporation Law amendment will lead to comprehensive, general control like the prewar Maintenance of Public Order Act. However, it is quite all right to examine problems, including the tax law issue." Ozawa is against the amendment in principle.

However, although there are voices against the amendment, with former Komeito Diet members as central figures, some fear that continuing to oppose the amendment could give the impression that the NFP is defending Soka Gakkai.

Also, the Antisubversive Activities Act has surfaced. It was the Aum Shinrikyo affair that brought about the amendment issue In the first place. Therefore, if the Antisubversive Activities Act is applied to Aum Shinrikyo, there is no need to amend the Religious Corporation Law. Such an expectation seems to be swimming in NFP members' heads.

Personnel changes within the NFP announced by party head Kaifu on 28 September are closely connected with the Religious Corporation Law. Kaifu removed former Komeito leaders Yuichi Ichikawa and Takenori Kanzaki from the front line of Diet affairs, apparently to ward off an LDP attack connected with the Religious Corporation Law.

On the day before the personnel changes were announced, Ozawa and others, chief Soka Gakkai executives, and a certain LDP leader had a talk and made adjustments to the personnel changes. This cannot be confirmed, but an interested LDP person says: "If that is true, the talks must have contained a considerably high level of political judgment."

It seems they also discussed the problem of calling Honorary Chairman Ikeda as a witness.

With general elections near at hand, the expectations of each Diet member get entangled, and influential people are moving about below the surface. With the unknown world of the single-seat constituency election near at hand, many Diet members have begun to waver. If "religion" is treated only as a means of "politics" in the midst of all this, it is a matter for deep regret.

Cabinet Approves New Defense Facility Official

OW2010023995 Tokyo KYODO in English
0230 GMT 20 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 20 KYODO — The cabinet on Friday [20 October] approved the appointment of Masuo Morodomi as new head of the Defense Facilities Administration Agency to replace Noboru Hoshuyama who resigned Thursday for calling Prime Minister Tomiichi Murayama "stupid."

Defense Agency Director General Seishiro Eto decided Thursday to appoint Morodomi, 56, in the wake of the scandal over the handling of the U.S. base issue in Okinawa.

Hoshuyama allegedly said Wednesday "the prime minister is stupid" in his handling of the base issue.

Morodomi joined the Defense Agency in 1964 and has headed the agency's procurement operations since June 1993.

Fast-Breeder Reactor Runs at 40 Percent Capacity

OW1310131295 Tokyo KYODO in English 1251 GMT 13 Oct 95

[FBIS Transcribed Text] Fukui, Japan, Oct. 13 KYODO — Japan's prototype fast-breeder nuclear reactor, known as Monju, began generating electricity at a rate of 40 percent of capacity for the first time Friday [13 October], the operating company said.

The Governmental Power Reactor and Nuclear Fuel Development Corp. said the 280,000-kilowatt reactor in Fukui Prefecture, western Japan, generated 112,000 kw of electricity, or 40 percent of its rated capacity, shortly after 5:30 p.M.

The reactor is scheduled to run at 40 percent capacity until Oct. 26 for tests on equipment, the corporation said.

Monju generated electricity for the first time Aug. 29 at a rate of 5 percent of its capacity and has been undergoing a test run for checkups on equipment not used in the August tests since Oct. 7.

Monju is the first reactor of its kind as it burns plutonium refined from spent fuel of conventional reactors and in the process produces more plutonium than it consumes.

Taxing Interest From Time Deposits Discussed

OW1310131795 Tokyo KYODO in English 1228 GMT 13 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO — A government panel started discussions on a review of taxation on interest from time deposits Friday [13 October] amid the ongoing deregulation of financial products.

At a plenary session of the Tax Commission, an advisory body to the finance minister, many participants supported the Finance Ministry's basic policy of abolishing preferential treatment for taxes on interest from time deposits.

But some commission members were cautious about the proposed step, insisting that revising the tax system in a period of low interest rates should be avoided.

The commission will continue to discuss the issue at future sessions.

At present, those who gain interest income are required to pay a withholding tax of 20 percent. Holders of time deposits of one year or longer, however, are exempted from paying the 20 percent tax on interest accrued until maturity.

The tax break allows interest on time deposits of more than one year to be rolled back into principal until maturity without taxation. Under the formula, the longer the maturity period, the greater the benefits depositors enjoy.

Major commercial banks are currently [illegible] to introduce 10- year time deposits, following [illegible]fting last October of a ceiling on the deposit maturity period.

The moves have raised the issue of taxation equality between short- and long-term deposit products.

The Finance Ministry is seeking to scrap the tax break, saying taxes on interest should in principle be collected annually.

Financial industry sources said the proposed step may draw objections from banks since it will reduce yields on deposit products thereby making them even less attractive.

Japanese financial products are losing their attractiveness to investors following a cut in the official discount rate in September to a historic low of 0.5 percent.

The Posts and Telecommunications Ministry may also resist the Finance Ministry's plan because it will lower the attractiveness of already introduced 10-year postal savings, the sources said.

Panel Suggests Review of Balance Sheet Rules

OW2010132195 Tokyo KYODO in English 1251 GMT 20 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 20 KYODO — An advisory panel to the finance minister has decided to consider a proposal to expand the scope of subsidiaries whose business results should be legally consolidated with those of their parent companies in the compiling of balance sheets, Finance Ministry officials said Friday [20 October].

If the Business Accounting Council approves the proposal, it would constitute the first revision in 20 years of accounting rules governing the consolidation of financial results.

The current accounting rules on such consolidation were compiled in 1975.

The panel will draw up a report containing its recommendations on the proposal and other points by the end of 1996, the officials said.

The panel worries that the current rules make it extremely difficult for shareholders to know the actual financial conditions of a group of business companies, as many groups of companies have expanded their global webs of subsidiaries and affiliates over the past two decades, they said.

The current accounting rules mandate that the business results of any subsidiary in which the parent company holds an equity stake of more than 50 percent be included in the consolidated balance sheet. The rules are said to obscure the actual financial conditions of a business group.

The proposal to be considered calls for including in a consolidated balance sheet those subsidiaries to which more than 50 percent of the board of directors is sent from the parent company. The approach is modeled after accounting rules applied in various European countries, they said.

The proposal essentially calls for showing through the consolidated balance sheet the strength of the parent company's influence over its subsidiaries or affiliates by the weight of its representation on boards of directors, they said.

The current rules stipulate that an overseas subsidiary of a Japanese parent company calculate financial results in accordance with the accounting regulations of the country where the subsidiary is operating.

In compiling a consolidated balance sheet, such business results of an overseas subsidiary are added to other figures on the balance sheet of the parent company in Japan without adjustments to bring them into line with Japanese accounting rules.

However, the advisory panel will also consider a proposal to mandate such adjustments, they said.

An official at the ministry's Securities Bureau said the ministry will ask the panel to consider a proposal to simplify excessively detailed accounting requirements that surpass in complexity corresponding accounting requirements imposed in the United States and Europe.

"We plan to simplify the detailed accounting requirements in a manner that would not result in lowering the levels of disclosure of financial conditions," the official said.

In the United States and in European countries, shareholders and investors tend to apply greater attention and scrutiny to the consolidated balance sheet of a company and its subsidiaries, rather than to the unconsolidated balance sheet of the parent company alone, in assessing the real financial performance of a company, they said.

The planned revamping of the Japanese accounting rules is also designed to harmonize them with those of the international business community, they added.

Banks Urged To Step Up Internal Controls

OW1310103495 Tokyo KYODO in English 0954 GMT 13 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO — Prime Minister Tomiichi Murayama on Friday [13 October] urged Japanese financial institutions to improve their internal controls in the wake of huge securities trading losses by Daiwa Bank's U.S. units.

Financial institutions have so large a social influence that the Daiwa Bank scandal has put Japan's creditworthiness at stake, Murayama told a session of the House of Representatives budget committee.

Based on lessons from the Daiwa Bank case, financial institutions should do their utmost to prevent similar problems, he said.

Daiwa Bank will be required to work out measures to prevent a recurrence of the scandal, while the government will deal firmly with the problem, the prime minister added.

With regard to U.S. complaints about Japan's delay in informing American regulators about Daiwa Bank's loss, Finance Minister Masayoshi Takemura told the Diet session that his ministry should have paid greater attention to U.S. rules.

Yoshimasa Nishimura, head of the Finance Ministry's Banking Bureau, denied reports that the ministry will send officials to Daiwa Bank as directors to strengthen the Osaka-based major commercial bank's internal controls.

Bank Lending in Sep Reportedly Rose 1.6 Percent

OW1310103295 Tokyo KYODO in English 0946 GMT 13 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO — The average outstanding balance of lending by Japanese banks in September rose 1.6 percent from a year earlier to 528.93 trillion yen, the Bank of Japan (BOJ) said Friday [13 October] in a preliminary report.

It is the fifth consecutive month of growth from year-earlier levels, and follows a 1.2 percent rise in August and a 0.8 percent gain in July. The growth rate was the highest since February 1993.

Moves by borrowers from the Governmental Housing Loan Corp. to pay off their housing loans and take out new loans from commercial banks at lower rates contributed to the rise, a BOJ official said. "We don't think demand for funds is picking up," he said.

Yen-denominated loans increased 0.8 percent, while loans denominated in foreign currencies jumped 11.6

percent due chiefly to an increase in spread loans, he said.

The outstanding balance of lending by Japan's 11 major commercial banks increased 1.1 percent, following a 0.7 percent rise in August and a 0.3 percent advance in July.

The balance of lending by long-term credit banks rose 1.5 percent, following a 0.2 percent growth in August and a 0.3 percent increase in July, as lending carrying long-term prime rates rose.

The outstanding balance of commercial paper issues stood at 8.46 trillion yen at the end of September, down 920 billion yen from a month earlier.

The average outstanding balance of real deposits and certificates of deposit in August increased 2.8 percent from a year before to 421.62 trillion yen.

The balance at the 11 major commercial banks and regional banks posted higher growth rates because of active certificate of deposit issues, but the balance at second-tier regional banks declined due to a fall in large-lot time deposits.

The outstanding balance of bank debentures, including discount bonds and interest-bearing bank debentures, stood at 77.39 trillion yen at the end of September, up 500 billion yen from a month earlier.

Meanwhile, the outstanding balance of loan trusts fell for the 24th straight month, declining 480 billion yen from a month earlier to 46.74 trillion yen, because of high levels of redemption.

Creditors Split Over Disposal of Bad Loans

*OW1310114595 Tokyo KYODO in English
1050 GMT 13 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO — Negotiations between creditor banks made little progress Friday [13 October] over how to liquidate seven of the nation's mortgage companies saddled with huge nonperforming loans, industry sources said.

The talks between two groups of creditors — major banks and farm-cooperative banks — followed a first round Sept. 27, the sources said.

The seven housing loan companies together hold more than 8 trillion yen worth of bad loans incurred through real estate deals made during the so-called asset-inflated "bubble" economy of the late 1980s.

Founding banks like long-term credit and major commercial banks, and farm-cooperative banks are squabbling over their shares of the burden stemming from the disposal program under negotiations.

In the second round of negotiations, lists of big borrowers who had failed to pay interest rates for six months or more were presented to farm-cooperative banks by the three long-term credit banks, founders of Nippon Housing Loan Co. and Daiichi Housing Loan Co., and Sanwa and Sakura Banks, founders of Japan Housing Loan Inc., they said.

But the farm banks, major lenders to the three mortgage companies, unhappy with the contents of the documents, asked the long-term credit and commercial or city banks to present additional reports, including information on collateral, the sources said.

The next round of negotiations Monday will be attended by executives from seven major commercial banks which set up the other four mortgage companies, and farm-cooperative banks, they said.

Poll: Consumer Confidence in Economy in Decline

*OW1310060895 Tokyo KYODO in English
0357 GMT 13 Oct 95*

[FBIS Transcribed Excerpt] Tokyo, Oct. 13 KYODO — Consumer confidence in domestic economies has declined markedly in Japan and Hong Kong in contrast to growing optimism in other Asia-Pacific nations, a major credit card company reported Friday [13 October].

Mastercard Asia Pacific Ltd. said the report is based on a survey conducted in 10 economies in the region in September in which a total of 5,068 consumers were polled.

The survey showed that consumers in Japan and Hong Kong were pessimistic about their domestic economies, with the comprehensive index dropping to 22 and 32 respectively from 38 and 64 in the previous survey in late 1994, the company said.

The index comprises consumer confidence in five areas — employment, economy, regular income, the stock market and the quality of life, the company said. [passage omitted]

The company said confidence in employment in Hong Kong plummeted to 7 from 49 in the previous survey while the index for Japan stood at a low 9. [passage omitted]

Of the economic expansion in the future, the index was high at 98 and 87 in Malaysia and Indonesia against lows of 13 and 30 in Hong Kong and Japan, the company said.

The figures for Singapore, Taiwan and Australia were 54, 50 and 51, respectively, it said.

The company said that consumer confidence in the domestic stock market gained in Malaysia to 84 from 54 in the previous survey while that in New Zealand also moved up to 72 from 63.

The figures for South Korea, Hong Kong and Japan dropped to 60, 45 and 24 from 83, 89 and 36, the company said.

The survey showed that consumers in Japan, Hong Kong, Australia and New Zealand were pessimistic about the future improved of the quality of life, with the indexes standing at 16, 29, 41 and 49, the company said.

In contrast, it said the readings were high at 96 in Malaysia, 92 in Indonesia, 87 in South Korea, 78 in Singapore and 65 in India.

Takemura: Bond Repayment 'Straining' Finances

OW1610033295 Tokyo KYODO in English 0313 GMT 16 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 16 KYODO — The heavy repayment burden of outstanding government bond issues is straining government finances, Finance Minister Masayoshi Takemura said Monday [16 October].

Takemura told a session of the House of Councillors Budget Committee the government is spending almost 20-30 percent of tax revenues to redeem its debts.

Takemura was commenting on reports that the outstanding balance of government bonds is expected to reach 221 trillion yen at the end of this year.

He said the ratio of outstanding balance of national and local government bonds to the gross domestic product (GDP) is 88.9 percent in Japan, the highest among major industrial countries. He added comparable rates are 63 percent in the United States and 62 percent in Germany.

Government Lowers Official Housing Loan Rate

OW1910091295 Tokyo KYODO in English 0848 GMT 19 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 19 KYODO — The Construction Ministry has decided to cut the base rate charged by the Quasi- Governmental Housing Loan Corp. on loans to individual home buyers by 0.1 percentage point to a record low 3.15 percent per annum, officials said Thursday [19 October].

The cabinet of Prime Minister Tomiichi Murayama will formalize the decision at a meeting slated for early November, they said.

The rate cut, the sixth of this kind since the beginning of this year, is designed to revitalize the flagging housing construction market by motivating potential home-buyers to purchase homes, officials said.

Before July, the government-backed Mortgage Loan Corporation charged three different interest rates on its loans, corresponding to the floor space of the property purchased.

However, the three rates were unified in July into a uniform rate of 3.25 percent, another record low at the time. The new rate is also a uniform rate.

Keidanren Urges Liberalization of Airline Fares

OW1310123795 Tokyo KYODO in English 1150 GMT 13 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO — The Federation of Economic Organizations (Keidanren) said Friday [13 October] it has asked the government to liberalize domestic air fares as part of the national deregulation plan which is to be revised soon.

Freeing aviation fares and charges is important to rouse new demand, officials of the influential business group said.

The suggestion is one of 32 additional items in the transportation field that the business group recently asked the government to consider.

The suggestions also include allowing new participation in existing air routes and allowing more flights at airports that can accommodate fresh competitors, the officials said.

Revision of regulations governing the truck industry is another area of interest.

Particularly suggested are requiring the inspection of trucks only every two years or so instead of every year as at present, and allowing female workers to work late night hours under certain conditions, the officials added.

'Leading' Chipmakers Eye Joint Research Center

OW1310095595 Tokyo KYODO in English 0929 GMT 13 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO — Japan's 10 leading semiconductor makers are considering establishing a joint research company to produce prototypes of semiconductor manufacturing equipment capable of meeting the tough future technical requirements of computer chips, the head of an industry body said Friday [13 October].

Taro Okabe, acting executive director of the Tokyo-based Semiconductor Industry Research Institute Japan, said the 10 firms want to develop equipment that can produce microchips using 30- centimeter silicon wafers on which ultranarrow electronic circuits are carved.

Okabe's research institute has proposed setting up the research center in February with a capital of 5 billion yen to be put up by the 10 companies, he said.

The executives of the 10 chipmakers in charge of the joint project are "nearing the point of concluding an agreement" to set up the new company, he said.

The 10 are NEC Corp., Hitachi Ltd., Fujitsu Ltd., Toshiba Corp., Sony Corp., Sharp Corp., Matsushita Electric Industrial Co., Mitsubishi Electric Corp., Oki Electric Industry Co. and Sanyo Electric Co.

"The new company would enable participating manufacturers to avoid redundant investments" to develop the same technology for prototype semiconductor manufacturing equipment along with their rivals, he said.

Both NEC and Toshiba spokesmen acknowledged their companies are considering taking part in the new company. The Toshiba spokesman said, "joint efforts would help save financial resources needed for the development of such equipment." "Our clients will not accept our semiconductor products unless we lower costs and prices" amid global competition.

The new company, tentatively named the Semiconductor Technology Research Center, will present desirable specifications to various makers of semiconductor manufacturing equipment such as Nikon Corp., Okabe said.

When the makers of semiconductor manufacturing equipment submit equipment prototypes, the new company will conduct technical evaluations and provide technological advice, he said.

Okabe said, "U.S. semiconductor makers also want to set up a joint product assessment company outside the framework of Sematec." Sematec — the Semiconductor Manufacturing Technology Institute — was founded in 1987 to expedite joint development by the U.S. public and private sectors.

The ASAHI SHIMBUN reported Friday that the establishment of the new company was envisioned by the 10 to bolster the international competitiveness of their products and head off competition from their U.S., Taiwanese and South Korean rivals.

MITI Office Offers Advice on Auto Market

OW1810093895 Tokyo KYODO in English
0901 GMT 18 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 18 KYODO — The Ministry of International Trade and Industry (MITI) on Wednesday [18 October] set up an office to offer advice on entering the domestic auto market to foreign automakers and Japanese auto distributors.

The office, set up under the Japan-U.S. auto and auto parts trade agreement signed in August, is intended to eliminate the common practice of excluding imports from marketing networks affiliated with Japanese automakers, MITI officials said.

MITI has confirmed that Japanese distributors will be allowed to freely market imported and Japanese-made cars of any manufacturers, they said.

Power, Gas Companies Seeking Lower Rates

OW2010144795 Tokyo KYODO in English
1344 GMT 20 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 20 KYODO — Japan's 10 power utility companies will apply for Ministry of International Trade and Industry (MITI) approval Oct. 27 to lower power rates from Jan. 1, the head of the Federation of Electric Power Companies said Friday.

The nation's three major and five second-tier gas companies also plan to file for MITI approval Oct. 27 to review gas rates from Jan. 1, but it is uncertain whether all will seek rate cuts.

Federation head Hiroshi Araki, president of Tokyo Electric Power Co., also told reporters there are strong calls for the industry to narrow the gap between power rates at home and abroad.

"Power utility companies have to reduce rates by promoting more efficient management," he said.

Araki said the industry used the average crude oil price of 17.8 dollars a barrel and the dollar exchange rate of 92 yen for application of new rates.

Industry sources said the 10 power utilities are expected to cut rates by an average of slightly more than 2 percent from the present rate introduced as a temporary one to pass on to customers foreign exchange profits stemming from the yen's rise against the dollar.

The estimated price cut will help an average household with monthly electricity consumption of 280 kilowatt-hours save about 200 yen.

The planned rate reduction is in line with a new rate-setting formula unveiled by MITI Wednesday for electricity and gas charges.

Under the "yardstick" system, power utility companies are divided into three groups according to their efforts to make management efficient. Companies in the lower two groups will be required to reduce rates from applied levels.

The gas companies seeking to review rates, meanwhile, are the three major firms of Tokyo Gas Co., Osaka Gas Co. and Toho Gas Co., and the five second-tier companies, including Saibu Gas Co. and Hokkaido Gas Co.

At present, a total of 243 companies are engaged in gas services in Japan and there is a large difference in their size and operations. As a result, the companies are divided into 16 groups under the yardstick formula.

The eight gas companies seeking to review rates from Jan. 1 belong to the highest-ranking group.

Agency Head: Gun Control 'Most Urgent' Issue

OW1610021395 Tokyo KYODO in English
0133 GMT 16 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 16 KYODO — The head of the National Police Agency (NPA) instructed chiefs of 47 prefectural police headquarters Monday [16 October] to make the utmost efforts in investigating unsolved gun-related serious crimes and to step up gun control.

At a meeting in Tokyo of the nation's prefectural police heads, Takaji Kunimatsu said the most urgent issue for police is currently gun control.

The nations's top police official said it is crucial for police to dispel people's fear of gun-related crimes by stricter gun control.

He also demanded concrete results of stepped-up gun crime investigations in his opening address at the meeting.

Kunimatsu pointed to the need to establish more effective policing in the wake of a series of crimes allegedly by the Aum Shinrikyo religious cult and gun-related crimes against citizens.

On March 30, Kunimatsu himself was almost fatally shot by an unidentified gunman in front of his Tokyo condominium, but recovered and was discharged from a hospital in July.

Last month, police arrested a senior Aum follower in connection with Kunimatsu's shooting.

Aum's Asahara on Killing of Lawyer's Infant Son

OW1310151195 Tokyo KYODO in English
1436 GMT 13 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO — Aum Shinrikyo leader Shoko Asahara has made a statement regretting the killing of a Yokohama lawyer's infant boy, police sources said Friday [13 October].

"I have regret over Tatsuhiko," the sources quoted the 40-year-old cult founder as saying, naming the then 1-year-old son of Tsutsumi Sakamoto.

In making the statement, Asahara referred to his second son who was at the same age as the lawyer's son when he was killed in November 1989, along with his father, then 33, and 29-year-old mother Satoko, according to the sources.

Additional charges of murder were brought earlier Friday against Asahara and four of his senior followers in connection with the killing of the Sakamoto family.

They have already been indicted on other charges, including lethal sarin gas attacks in June last year and in March.

Paper Publishers Urge Continued Price-Fixing

OW1310095195 Tokyo KYODO in English
0850 GMT 13 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO — The Japan Newspaper and Publishers and Editors Association called Friday [13 October] for maintaining the current price-fixing system for subscriptions to newspapers and other publications.

In a report presented to the Fair Trade Commission (FTC), the association defended the system as serving to maintain the newspaper home delivery service and to allow newspapers to serve as the mainstream media needed to meet the people's right to be informed.

If the price-fixing system, called the sale price maintenance system, is abolished, newspapers will face a management crisis with negative effects on freedom of the press, the association said.

The appeal follows a similar report jointly submitted by the association and other publishers' groups against a move by the FTC to review the price-fixing system.

Newspapers, books and other publications are currently exempted from fair trade rules that ban price cartels.

But a study panel for the FTC released an interim report in July highlighting problems stemming from the price-fixing in the publishing industry, without saying whether it should be abolished.

Prices Remain Unchanged for Four Farm Products

OW1310103195 Tokyo KYODO in English
0935 GMT 13 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 13 KYODO — The Agriculture, Forestry and Fisheries Ministry said

Friday [13 October] that producer prices of four farm products, including soybeans, will remain unchanged for the fourth consecutive year in 1995.

The 1995 prices will stay at 14,218 yen per 60 kilograms for soybeans and at 17,310 yen per ton for beets, the ministry said.

White potatoes for production of starch will remain at 14,410 yen per ton and starch-making sweet potatoes at 25,469 yen per ton, it said.

Producer prices are the minimum purchase prices guaranteed to farmers by the government.

The government earlier sought to reduce the producer prices of the four farm products, to reflect decreases in other agriculture- related prices.

But it decided to peg the prices at the current levels under pressure from lawmakers of the ruling coalition who called for special consideration for farmers, observers said.

Japanese farmers are facing increasingly tough conditions and competition amid ongoing liberalization of the farm sector under the Uruguay Round global trade accords.

The government has already announced unchanged 1995 prices of other farm products under its control, including rice and wheat.

North Korea

U.S.-South Military Exercise Denounced

SK2010041395 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 19 Oct 95

[FBIS Translated Text] The United States has been staging the Foal Eagle-95 joint military exercise with South Korea since 13 October. The voices of all the people across the country are increasingly denouncing this.

Pae Chun-sam, director of the Chemical Industrial Planning Bureau of the State Planning Committee, says as follows:

[Begin Pae recording] The United States has been staging a large-scale joint military exercise called Foal Eagle-95 with South Korea since 13 October. The joint military exercise that will be staged for more than a month until 17 November is being conducted in two stages.

The recent joint military exercise involves 30,000 U.S. troops from the U.S. mainland and South Korea and most of the puppet army soldiers of South Korea. Numerous modern offensive means of war, including nuclear-powered submarines, destroyers, and landing warships belonging to the U.S. Seventh Fleet have also been mobilized.

In terms of the number of troops mobilized and the form and content of the exercise, the Foal Eagle-95 joint military exercise, which the United States and the South Korean authorities are currently staging, is a war provocation as well as a copy of the Team Spirit nuclear war exercise, aimed at a northward invasion, that is repeatedly conducted in South Korea every year. Therefore, the Foal Eagle-95 joint military exercise, which the United States and the South Korean authorities are conducting throughout South Korea, is, in essence, a resumption of Team Spirit.

Last year the United States conducted the Foal Eagle-94 exercise for seven days by mobilizing the South Korean puppet army soldiers and U.S. troops in South Korea. However, this year it is holding the over-one-month-long exercise on an unprecedentedly large scale by even mobilizing U.S. troops from its mainland. We cannot but pay special attention to this and strongly denounce it.

Last year, the United States adopted and announced along with us the DPRK-U.S. agreed framework, in which it promised it would never conduct any hostile act against us and would improve relations with us. It also declared at home and abroad the suspension of the Team Spirit nuclear war exercise. On 8 October the United States officially announced that it would not hold the Team Spirit exercise this year.

Nonetheless, the United States and the South Korean authorities are staging the Foal Eagle-95 joint military exercise. This is a violent challenge to our people and the people of the world, who hope for genuine peace and security on the Korean Peninsula, and is an undisguised betrayal of the DPRK-U.S. agreed framework.

The United States has proven on its own that its promise to suspend the Team Spirit exercise was a trick to deceive our people and the world. We denounce the Foal Eagle-95 joint military exercise, which the United States is conducting with the South Korean authorities, as an anti-peace and anti-dialogue act aimed at aggravating North-South relations and backing the extremely isolated South Korean puppet regime by force of arms.

The United States must be aware that it no longer has the face to talk about resumption of North-South dialogue. It must become clearer that this is because the United States is seeking to accelerate preparations for

a war of aggression behind the scenes of the Armistice Agreement. This will never work on us.

The United States should at once stop the Foal Eagle-95 joint military exercise that has been held with the South Korean authorities. [end recording]

Daily Denounces 'U.S. Military Maneuvers'

SK2010050895 Pyongyang KCNA in English
0452 GMT 20 Oct 95

["NODONG SINMUN Denounces U.S. Military Manoeuvres Against DPRK" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 20 (KCNA) — NODONG SINMUN today warns that the intensified U.S. military manoeuvres against the Democratic People's Republic of Korea are very dangerous because the DPRK and the United States remain in a state of war.

These days, the United States is trying to ship into South Korea a large number of modern weapons and, at the same time, is staging "Foal Eagle 95" joint military exercise, the news analyst says, and goes on:

If the United States continues arms buildup and racket of war in South Korea, the warring relations between the DPRK and the United States will be worsened and a big hurdle be laid in the way of solution to the nuclear issue on the Korean peninsula.

Of course, we do not want the warring relations between the DPRK and the United States to be sustained and worsened. We want the DPRK-U.S. framework agreement to be implemented smoothly along its orbit and reach the final point.

But we cannot allow the United States to continue trying to do harm to the DPRK with the military manoeuvres against it.

Trying to stifle the DPRK with a strong arm is a mistaken policy and a foolish act. We have enough strength and will to counter the military adventure of the United States. The United States would be well advised not to misjudge us.

They must know that they will drink a bitter cup if they take a reckless act, overestimating themselves and underestimating us.

The United States must stop the policy of antagonizing and stifling the DPRK.

Daily Criticizes Kim Yong-sam's Comments

SK2010051895 Pyongyang KCNA in English
0448 GMT 20 Oct 95

["Traitor Kim Yong-sam's Far-Fetched Abuses]

[FBIS Transcribed Text] Pyongyang, October 20 (KCNA) — The traitor Kim Yong-sam of South Korea, who is hell-bent on confrontation with the North, said in an "interview" with THE NEW YORK TIMES that the North has failed to keep the "promise" it made to the South. This is a nonsensical charge full of groundless abuses against the North.

NODONG SINMUN today says this in a commentary.

The traitor also blared that the North must "discontinue slanders against the South" and "there is a possibility of its military provocation," the paper says, and goes on:

We have given no promise to the puppets. We have nothing to promise. What we have to do is only to make them dearly pay for the anti-nation, anti-reunification, anti-ethic crimes they committed by injuring us when we were suffering the greatest misfortune ever in history.

Kim Yong-sam, who has pursued fascist rule more cruel than former military dictatorship after "promising civilian administration," is a big liar who has cast away what he "promised" to the South Korean people like a pair of old shoes.

The traitor's outcries over the North's "slanders against the South" is a false charge and his talk about the "possibility of the North's military provocation" reminds us of a thief crying "Stop thief."

The world's people clearly see who truly wants peace and peaceful reunification on the Korean Peninsula and who hopes for war and permanent division of the country.

No matter how frantically the traitor may resort to anti-North propaganda, crying about the North's "possible provocation," nobody will lend an ear to it.

Kim Yong-sam Interview on NSL Viewed

SK2010062895 Pyongyang Korean Central Broadcasting Network in Korean
2200 GMT 19 Oct 95

[FBIS Translated Text] According to a radio report from Seoul, in a recent interview with the Canadian newspaper GLOBE AND MAIL traitor Kim Yong-sam babbled that the National Security Law [NSL] of South Korea cannot be abolished because it defends democracy. This is an absurd act designed to conceal the fascist nature of the NSL under the signboard of the defense of democracy.

As is known, the NSL is an unprecedented anti-national, anti- reunfication, and undemocratic evil law which defines the northern half of the Republic and compatriots' patriotic organizations overseas as anti-state organizations and all the people in the northern half of the Republic and overseas compatriots as members of anti-state organizations and which brands all South Korean organizations and their members calling for democracy in South Korean society as pro-communist, enemy-abetting organizations and as leftist, pro-communist forces.

Not justy figures who have visited the northern half of the Republic with the will for great national unity, but also all patriotic, democratic forces calling for independence and democratization of South Korean society are being sent to prison because of this evil law.

The provisions of the NSL are very vague and abstract. And so, this law is a fascist evil law, the provisions and clauses of which are ambiguous in interpretation.

It is none other than the NSL that imposed guilt on a South Korean lawmaker who argued that state policy is not anti-communist but pro-reunification, branding his argument as being an act sympathizing with and benefitting the North. It is also none other than the NSL that punished even those who had talked about the real situation in the northern half of the Republic which already had been reported in newspapers, charging them with the crime of leaking secrets.

South Korea is the only country in the world in which such an evil law still exists. After all, we are nearing the 21st century, not the medieval age.

The NSL is so absurd, preposterous, and evil that even the U.S. State Department issued special statements on two occasions in the past calling for its abolition.

The NSL is a law denying the nation, splitting the nation, and strangling democracy to death.

By crying that he will defend this law, traitor Kim Yong-sam has once again revealed his ugly nature as a traitor to the nation, a splittist, and the strangler of the nation.

In conclusion, Traitor Kim Yong-sam should be thrown into the garbage can of history together with the NSL.

South Press Denounced for Not Reporting 'Truth'

SK1910131895 Pyongyang Radio Pyongyang in Korean to South Korea 0855 GMT 18 Oct 95

[Rambling Criticism: "As Goby Runs, the Octopus Runs, Too"]

[FBIS Translated Text] Kim Yong-sam, engrossed with a bad habit of conspiracy and confrontation, is running wild like a lunatic, shouting even in his bedroom about North Korean acts, condemnation, and so forth. His hysteric behavior is so severe that even the press, which should report the truth, has been contaminated with his frenzy. As a result, if Kim Yong-sam has a fit, the press also has a fit.

On 16 October, 29 employees of South Korea's Hyundai Electronic Company, who were aboard a bus in downtown Moscow, were raided by masked strange gangsters. Four of them were held hostage and a $1 million ransom was asked.

Reporting this, the KBS broadcasting network in South Korea, preposterously blew a bugle that these masked gangsters appeared to be North Koreans. We are not sure whether KBS reported this after being directed by Kim Yong-sam or were simply reading his intention.

At any rate, this is indeed a nonsensical act which even idle dogs would laugh at. How can one with sound reason make such a preposterous remark?

Kim Yong-sam, who became a mad dog running amok with slander and confrontation, is now filled with frenzy to bite his own fellow countrymen. Thus, he can do any crazy act. However, the press, which is supposed to report the truth, has been contaminated with Kim Yong-sam's insanity. How can we call this the press? This is the blowing of a bugler merely speaking for Kim Yong-sam's smear and confrontation frenzy.

As everyone knows, Moscow, unlike in the past, has now been reduced to a horrible den of criminals where the people cannot freely walk even in the daytime, being swarmed with robbers, like South Korea. This being the case, it is clear as light that no one is able to find out what strange gangsters perpetrated such an act in this place.

Moreover, Moscow is crowded with gangs and robbers from all over the world, even with masked gangsters. Thus, no one is able to know whether they were Europeans or Asians, or whether they were Black or White men.

However, as soon as the incident occurred, the South Korean press made preposterous remarks that they seem to be North Koreans, not confirming the truth. Can this not be called an act of a lunatic?

In view of the fact that such preposterous remarks were made as soon as the incident took place, we cannot but raise a doubt that this was a self-produced drama aimed at instigating anti-North Korea confrontation. Otherwise, how can they rashly smear their own fellow countrymen without any basis?

We believe that although Kim Yong-sam staged various smear campaigns and slanderous dramas, he did not work with anyone. On the contrary, he became the target of mockery and denunciation by the world's people with his ugly nature being exposed. Therefore, he might have staged such an incident of gangsters' attack as the last resort with a heinous intention to instigate North-South confrontation, to alienate our country from this nation and to isolate us.

However, like a proverb, "as goby runs, the octopus runs, too," the broadcasts are dancing to the frenzied tune of Kim Yong-sam's smear and slanderous drama. This is indeed a shame of the press.

Discarding their mission to report the truth, the broadcasts acted as a trumpeter for the mad dog. This is the same as disgracing oneself with one's own act, and as falling into a ditch together with the dictator.

The mad dog is destined to be beaten to death with a stick. The destiny of Kim Yong-sam, who is running wild to bite his own fellow countrymen, is the same as that of the mad dog. Then, how will the destiny of the press, which served Kim Yong-sam as a maid, turn out? The press will know this by itself. The press should act in a just and correct way.

'False Propaganda' of Kim Yong-sam Denounced

SK2010112495 Pyongyang KCNA in English
1009 GMT 20 Oct 95

["False Propaganda" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 20 (KCNA) — The traitor Kim Yong-sam of South Korea, in his "policy speech" the puppet prime minister read at the "National Assembly", charged that "the North has turned aside from dialogue with the South Korean authorities and intends to wreck the armistice agreement."

And he let loose a string of cheating words that South Korea is "working to build a peace-keeping system and promote reconciliation and cooperation with the North." The traitor even made the bellicose remark that they would step up the "modernization of equipment" to "maximize the combat power of the army."

Commenting on this, MINJU CHOSON today says:

It is a sheer fabrication intended to slander and impair the North as well as a shameless, false propaganda to mislead public opinion within and without.

Those reckless remarks of the traitor fully reveal the anti- peace, anti-reunification nature of the South Korean authorities, who are not interested in the improvement of relations with the North and in peace and reunification of the Korean peninsula, but seek North-South confrontation and war.

The traitor Kim Yong-sam must stop making such unreasonable, imprudent remarks and step down of his own accord.

Decision Not To Prosecute 'Culprits' Protested

SK2010112895 Pyongyang KCNA in English
1027 GMT 20 Oct 95

[FBIS Transcribed Text] Pyongyang, October 20 (KCNA) — Ninety- six members of the Seoul city "assembly" started an over-night sit- in on October 17 in demand of the enactment of a special law for the May 18 incident, according to a radio report from Seoul.

The strikers said that to probe the truth behind the May 18 massacre and prosecute those responsible for it is the demand of the people.

They expressed their indignation at the fact that the present "government" tries to conceal the incident.

On the same day a hundred and eleven professors of law of 39 universities and colleges in South Korea including Seoul National University and Korea University decided to submit a written opinion to the "Constitutional Court" in protest against the decision not to prosecute the main culprits of the Kwangju massacre.

They stressed that it is unjustifiable to relinquish the judicial judgment on the May 18 massacre.

NDFSK Mission Urges Release of 'Patriots'

SK2010110995 Pyongyang KCNA in English
1032 GMT 20 Oct 95

[FBIS Transcribed Text] Pyongyang, October 20 (KCNA) — Yi Chong-sang, chief of the Pyongyang mission of the National Democratic Front of South Korea (NDFSK), on October 19 said that Chong Min-chu and Yi Hye-chong, delegates of the South Korean Federation of University Student Councils under the South side headquarters of the National Alliance of Youth and Students for the Country's Reunification, and Mrs. Pak Yong-kil, who visited Pyongyang, and all other pro-reunification patriots must be released.

He said at an interview with KCNA that Chong Min-chu and Yi Hye-chong are "birds of reunification" and "envoys of reunification," who participated in the great national conference to decide on the nation's common way of reunification as delegates of the students of South Korea on the occasion of the 50th anniversary on national liberation and conveyed the will, aspiration and desire of the South Korean people for reunification.

The Kim Yong-sam group is trying to keep them in prison for more than ten years, on the charge of violation of the "National Security Law", he said, adding that the Kim Yong-sam group must naturally be punished in the name of the nation.

He noted that the Kim Yong-sam "regime" his working hard to nullify the North-South agreement, aggravate the situation and suppress the spirit of the South Korean people for reunification, in vain.

The NDFSK and the South Korean people will smash the anti-national, anti-reunification moves of the Kim Yong-sam group and reunify the country without fail, he said.

Yi Chong-sang gave answers to questions put by the reporter.

Moscow Ceremony Marks WPK's 50th Anniversary

SK2010054595 Pyongyang KCNA in English 0416 GMT 20 Oct 95

[FBIS Transcribed Text] Pyongyang, October 20 (KCNA) — A ceremony was held in Moscow on October 4 to present [words indistinct] and gifts from various organs and organizations in Russia to the great leader Comrade Kim Chong-il on the 50th anniversary of the Workers' Party of Korea;

Participants in the ceremony laid bouquets before full-length figure portrait of the great leader President Kim Il-song. Representatives of the organs and organizations handed the messages and gifts for Comrade Kim Chong-il to the Korean Ambassador to this country.

A.A. Arsamkov, director-general of the Styl Bank, told the ambassador that he sincerely respects and reveres the great leader Comrade Kim Chong-il, who is defending and glorifying socialism. He added:

"I made up my mind to present a gift to Comrade Kim Chong-il. I prepared the gift as a symbol of my invariable respect and reverence.

"Please inform Comrade Kim Chong-il that the working class and ordinary people in Russia will always respect and support him."

"Our gifts show that the minds of the Russian people focus on him," said [name indistinct] acting representative of the Moscow branch of Mercury trading company, and sincerely hoped Comrade Kim Chong-il will live long in good health and wisely lead the world revolution.

CPC Delegation Visits Kumsusan Memorial Palace

SK2010053895 Pyongyang KCNA in English 0429 GMT 20 Oct 95

[FBIS Transcribed Text] Pyongyang, October 20 (KCNA) — The delegation of officials of the Communist Party of China headed by Wang Taihua, alternate member of the CPC Central Committee and deputy secretary of the Anhui Provincial Committee of the CPC, Thursday visited Kumsusan Memorial Palace where the great leader President Kim Il-song is preserved in state. [Word indistinct] the guests expressed respects toward the statue of President Kim Il-song and made bows in humble reverence to him who is laid in the form of eternal life.

Magazine on 'Kimilsongism' Published in Japan

SK1910111095 Pyongyang KCNA in English 1025 GMT 19 Oct 95

[FBIS Transcribed Text] Pyongyang, October 19 (KCNA) — Magazine "STUDY OF KIMILSONGISM" No.74 was published by the Japan Society for the Study of Kimilsongism.

The magazine carried the full text of the letter of thanks of the great leader Comrade Kim Chong-il "To all the people who deeply mourned the death of the great leader Comrade Kim Il-song".

The magazine carried a special write-up under the title "First Anniversary of the Death of President Kim Il-song" and an article entitled "President Kim Il-song Is Immortal in Human History and in the Hearts of the World's People."

The article highly praised the noble virtues of Comrade Kim Chong-il who is devoting his all to defending the immortal revolutionary exploits of President Kim Il-song and implementing his behests.

The magazine called for a vigorous struggle for advance of the era of independence under the leadership of Comrade Kim Chong-il.

It also edited an article explaining the immortal famous work of Comrade Kim Chong-il "Socialism Is a Science" and introduced his revolutionary history.

Overseas Koreans From Japan Meet Yi In-mo

SK2010112595 Pyongyang KCNA in English
1024 GMT 20 Oct 95

[FBIS Transcribed Text] Pyongyang, October 20 (KCNA) — Members of the home-visiting group of students of Korean University under the General Association of Korean Residents in Japan (Chongnyon) headed by Ko Hyon-chon staying in the socialist homeland met former war correspondent of the Korean People's Army Yi In-mo, the incarnation of faith and will, at the Central Hall of Youth on October 19.

On the occasion Yi In-mo told them to become loyalists and filial sons and daughters trusting and following only respected General Kim Chong-il. All of us, he said, should hold the respected general only in higher esteem true to the behests of the fatherly leader President Kim Il-song.

The head of the group, Ko Sin-sin, Kang Yong-mi and other members of the group said they would fully prepare themselves to be true sons and daughters of chuche Korea unfailingly faithful to the great leader General Kim Chong-il, following the infinite loyalty of Comrade Yi In-mo to the leader and the indomitable revolutionary spirit with which he bravely overcame all sorts of tortures and persecution by the enemy.

Members of the group hardened their will and faith in certain victory, loudly singing "Led by you we will win" and "Let us uphold the red flag".

Malagasy Parties Praise Workers Party

SK2010054195 Pyongyang KCNA in English
0409 GMT 20 Oct 95

["WPK Is Most Authoritative and Powerful Revolutionary Party" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 19 (KCNA) — Hakotomandimby Selestine, national chairman of the Socialist Progressive Party of Madagascar; Andriantiana Rakutubau, chairman of the Party of the Congress for the Independence of Madagascar, and Andria Zakafy Diabrahama, national chairman of the Workers and Peasants Organization of Struggle of Madagascar, respectively met the Korean ambassador to their country on October 7 on the 50th anniversary of the Workers' Party of Korea [WPK].

They said that the Workers' Party of Korea founded by the great leader Comrade Kim Il-song on the basis of the immortal chuche idea is the most authoritative and powerful revolutionary party.

The WPK has been further consolidated in organization and ideology under the tested leadership of the great leader Comrade Kim Chong-il who is creditably carrying forward the revolutionary cause of the great leader Comrade Kim Il-song, they said, and noted that it is an ever-victorious revolutionary party of the working class, most popular party devotedly serving for the popular masses, a vanguard of the international working class and revolutionary people and a guiding force for the global cause of independence, the cause of socialism.

Though socialism has been collapsed in some countries and the vicious anti-socialist offensives of the allied forces of imperialism continue, they said, the Korean-style socialism centred on the popular masses is emerging victorious in Korea thanks to the outstanding leadership of the great Comrade Kim Chong-il and the ever-victorious Workers' Party of Korea.

They stressed that they would actively support and encourage the struggle of the Workers' Party and people of Korea to achieve the complete victory of socialism reunify the country by the confederacy formula, true to the behests of the great leader Comrade Kim Il-song.

UN Secretary General Meets Choe Su-hon

SK1910113895 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 15 Oct 95

[FBIS Translated Text] On 10 October, UN Secretary General Butrus Butrus-Ghali received Vice Foreign Minister Choe Su-hon, head of the DPRK delegation, who is now attending the 50th session of the UN General Assembly.

During the meeting, the head of the delegation conveyed greetings from the dear leader [yongdoja] Comrade Kim Chong-il to UN Secretary General Butrus Butrus-Ghali. Expressing a deep gratitude for this, the UN secretary general asked the head of the delegation to convey his sincere greetings to the great leader Comrade Kim Chong-il.

The talks were held in an warm atmosphere.

Kim Chong-il Receives Flowers From Abroad

SK2010053395 Pyongyang KCNA in English
0412 GMT 20 Oct 95

[FBIS Transcribed Text] Pyongyang, October 20 (KCNA) — The great leader Comrade Kim Chong-il was presented with floral baskets on the 50th Anniversary of the Workers' Party of Korea in the name of the Funcinpec Party of Cambodia and its Chairman Norodom Ranariddh, the People's Party of Cambodia and the mayor of the City of Phnom Penh.

He also received floral baskets from Rafael Aguilar, national chairman of the Central Committee of the Lazaro Cardenas Front Party for National Reconstruction of Mexico, Alberto Anaya Gutierrez, member of the Coordination Commission of the National Political Committee of the Mexican Workers' Party, Khamphoui Keoboualapha, deputy prime minister of Laos and president of the committee for planning and cooperation, and from the vice-president of the committee. The floral baskets were handed to the diplomatic missions of the DPRK in their countries.

State, Party Leaders Greet Kim Chong-il

SK2010060295 Pyongyang KCNA in English 0423 GMT 20 Oct 95

[FBIS Transcribed Text] Pyongyang, October 20 [KCNA] — The great leader Comrade Kim Chong-il received messages of greetings from the heads of state and party leaders of different countries on the 50th anniversary of the Workers' Party of Korea.

The messages came from France Albart Rene, president of the Republic of Seychelles; Ali Hassan Mwinyi, chairman of the Revolutionary Party of Tanzania and president of the United Republic of Tanzania; Obiang Nguema Mbasogo, president and head of state of the Republic of the Equatorial Guinea and founder-chairman of the Democratic Party of Equatorial Guinea; Mohamed Abd al-Aziz, president of the Saharan Arab Democratic Republic and secretary general of the Polisario Front; Ilie Verdet, president of the Socialist Workers' Party of Romania; Boris Petkov, chairman of the Executive Council of the Central Committee of the Bulgarian Communist Party (Marxists); Branko Kitanovic, general secretary of the New Yugoslav Communist Movement; Vladimir Dado, chairman of the Slovak Communist Party; P.N. Imonenko, first secretary of the Central Committee of the Ukrainian Communist Party; Thurmer Gyula, chairman of the Hungarian Workers' Party; Juan Ramos, general secreatry of the Communist Party of the Peoples of Spain; Baltasar Ignacio Xalades Montoya, chairmn of the National Committee of the Mexican Democratic Party; Joao Amazonas, chairman of the Central Committee on the Brazilian Communist Party; Bdoulaye Bathily, secretary general of the Senegalese Democratic League-Movement for the Party of Workers; Mohamed Zel Hadipamo, general secretary of the People's Unity Party of Tunisia; Huudk Yahaya, general secretary of the National Democratic Congress of Ghana; Roland Atta-Kesson, national chairman of the National Convention Party of Ghana; and Abdel Hamid Mehri, secretary general of the Central Committee of the Algerian National Liberation Front. They warmly congratulated Comrade Kim Chong-il on the anniversary of the WPK and wished him good health and long life.

They expressed the belief that the Workers' Party and people of Korea would achieve great success in the efforts for national reunification and socialist construction under the wise leadership of Comrade Kim Chong-il.

Comrade Kim Chong-il also received a message of greetings from the Central Committee of the Zimbabwean African National Union- Patriotic Front on the same occasion.

Choe Kwang Meets Sports Council Members

SK2010054895 Pyongyang KCNA in English 0430 GMT 20 Oct 95

[FBIS Transcribed Text] Pyongyang, October 20 (KCNA) — Minister of the People's Armed Forces Choe Kwang met and conversed with the participants in the meeting of the executive committee of the International Military Sports Council on October 19.

Lieut. Gen. Choe Pu-il of the Korean People's Army was on hand.

Independence Sustains People, Nation

952C0171B Pyongyang NODONG SINMUN in Korean 10 Jun 95 p 2

[Article by Pak Nam-chin: "The Independent Stand and Attitude Is the Life of the Country and the People"]

[FBIS Translated Text] Today our fatherland is shining in its glory as a socialist power of self-dependence, self-support, and self-reliant defense that no one can pick on, while our people stand tall proud of themselves as the most dignified people shaping their own destiny for themselves. Our people, through their long fatherland-building history, have kept it engraved on their hearts as a rock-firm faith that holding fast to the independent stand and attitude is the only way to show the dignity and honor of their nation to the world, and to achieve the prosperity of their country, their fatherland.

Independent stand and attitude is the life of the country and the people.

The great leader [yongdoja] Comrade Kim Chong-il pointed out:

"Independent stand and attitude is the life of the country and the people, and the foremost trait of an independent state."

The country and the people are a closely knit collective of people formed and having developed historically;

they represent the unit of social life. The masses of people live their life on the unit formed by the country and the people, with their destiny shaped on the framework thus formed.

Independent stand and attitude is the life of man. At the same time, it is the life of the country and the people. If man loses his independent stand and attitude, he is virtually a dead body; likewise, unthinkable is the existence or development of a country and a people minus the independent stand and attitude. Whether or not the independent stand and attitude is maintained intact determines the destiny of the country and the people. To maintain the independent stand and attitude means solving all problems concerning the destiny of the country and the people on the basis of its own independent judgement and resolution, in a way consistent with the interests of its people, on the responsibility of its own, and on its own resources. In other words, it means exercising its rights as masters of its destiny, and fulfilling the responsibility as the masters. Only by holding on to the independent stand and attitude is it possible to maintain the dignity of the country and the people, consolidate the national independence and achieve the prosperity of the country.

To hold fast to the independent stand and attitude is, above all, an indispensable requirement in maintaining the dignity of the independent country and showing the honor of the people.

Holding fast to the independent stand and attitude in state activity is the foremost trait of an independent state. If a government lacks it and attitude and moves under the baton of others, the country with that sort of regime, in fact, cannot be called an independent one. A country can be called genuinely independent only when it establishes independently all its lines and policies in consistency with its actual circumstances and the interests of its people, implements them on its own, and exercises its sovereign rights to the full in diplomatic affairs.

Only when the state exercises its sovereign rights can it maintain the dignity and honor of its people. If it loses its independent stand and attitude, and if it dances to the tune of others or follows their lead blindly, it cannot protect the dignity of its people and will eventually find itself enslaved. Once deprived of sovereignty and enslaved to another country, a people cannot maintain their unique national traits, such as national bloodline, language, history, and culture, much less dignity. In the past, because of the flunkeyist, traitorous machinations of the corrupt and incompetent feudal ruling clique, our people had to see their sovereignty trampled on by the Japanese imperialist aggressors; they were deprived of their language, letters, history, and culture, and even their customs and family names that had been handed down from their forefathers.

Our people could become a glorious and dignified people capable of working out their destiny on their own, thanks to the Great Leader, who restored the once lost fatherland to us, and who built the independent state for us. History proves that holding to the independent stand and attitude is the only way, the true way, to defend the freedom and independence, and enhance the dignity and honor, of the country and the people.

Doing so is also a decisive factor guaranteeing the enrichment, strengthening, development, and prosperity of the country.

The struggle for the enrichment and development of the country and the prosperity of the people is, essentially, a struggle to attain the self- reliant aspirations and demands of the people, its success depending on how the inexhaustible, creative resources of the masses of people are mobilized. Therefore, holding fast to the independent stand and attitude — namely, going about everything in such a way as to meet the interests of one's nation, one's people — is an indispensable requirement in achieving prosperity for the country and the people. When we resolutely defend the interests of our people, dealing with everything according to their interests and will, we can win their positive support and, by relying on the creative wisdom and strength of the masses of people, can achieve the enrichment, strengthening and development of the country and the people against any difficulties. If we are to achieve prosperity for the country and the people, we must independently regulate our lines and policies by correctly reflecting the people's aspirations and demands. Not only that but it is necessary as well that we go about everything bearing responsibility for all that occur, observing the principle of self-reliance, and sticking to our own resources. Self-reliance means an independent position to proceed with the building of one's country with labor and resources of one's own people. It basically differs with dependence on others, the weak-kneed attitude of those collapsing in the face of difficulty and abandoning their struggle, and with the passive attitude of those sitting back and waiting for a favorable break in the situation. A people who, in the principle of self-reliance, find and trust their strength and wage assiduous struggle can make the country and themselves richer, stronger and more prosperous. Self-reliance is the only road to the prosperity of the country and the people; there are no other ways. As history shows, dependence on outside forces leads to the ruin of the country.

Holding fast to the independent stand and attitude also enables us to beat imperialists' challenges and advance the socialist cause victoriously.

For the prosperity of the country and the happiness of the people, it is necessary to move forward on the socialist road. The capitalist road leads to enslavement, ruin, exploitation, and oppression. Only by going the way of socialism is it possible for people of the different classes and strata making up the nation to enjoy a free, equal and dignified life that suits the inherent nature of man as a social being, and for the country and the people to be free from all forms of domination and enslavement and attain self-reliant developments.

Inasmuch as the socialist cause basically seeks to attain the independent stand and attitude of the masses of people, it is an inherent demand of the socialist cause itself to hold fast to that stand and attitude. Especially, at a time when imperialists are maneuvering viciously to destroy the socialist cause, whether or not we can stick to the independent stand and attitude is a matter of life or death with a bearing upon its destiny. Only by holding fast to that stand and attitude can we deal with imperialists' counterrevolutionary maneuvers with revolutionary principles, overcome all barriers and hardships in our way for ourselves, and step up the socialist cause victoriously. The fact that capitalism returned in certain countries that had earlier been building socialism was largely due to their failure to hold on to the independent stand and attitude. In regard to all problems they had in their revolution and construction, if the socialist ruling parties in those countries had approached to them from a self-reliant position for solutions — in a way consistent with demands of their peoples and the actual state of affairs in their respective countries, and by relying on their own resources — it would have been impossible for imperialists to hatch anti-socialist maneuvers as they did, or for socialism to collapse in so many countries in succession as it did. History clearly shows that the destiny of socialism depends on whether or not the party holds fast to the independent stand and attitude.

When we move forward holding aloft the banner of self-reliance, we can advance the socialist cause victoriously under any circumstances and achieve the enrichment, strengthening, and development of the country and the people. This is a precious truth that has been proved positively by our revolutionary practice.

When our country embarked on the building of new society following Liberation, the Great Leader saw to it from the beginning, in his sagacious leadership, that the principles of self-dependence, self-support and self-reliant defense are thoroughly embodied in all realms of party and state activity. In a country having inherited the legacy of backward, colonial and semi-feudal society, a country devastated by war, and a country that had to make revolution and push construction amid the direct confrontation with a formidable imperialist enemy, it was by no means an easy task to hold on to the independent stand and attitude in all realms. However, the Great Leader — with his precise and logical insight into the fact that without holding on to it, our country would never be able to emerge from its backwardness and our people would unavoidably be reduced to colonial slaves again — resolutely repelled pressures of big-power chauvinists and held steadfast to the revolutionary line of self-dependence, self-support, and self-reliant defense to the last. It is precisely thanks to the sagacious leadership of the Great Leader that our people, opposing the formidable imperialist enemy undauntedly, could punish every provocation severely each time and firmly defend the dignity of the fatherland, and that, even under such complex circumstances that surround them today, they are moving forward dynamically holding aloft the banner of socialism. Therefore, for the dignity and mettle of our country holding on determinedly to the banner of socialism, even in the grave situation in the wake of the collapse of socialism in many countries, the progressive mankind of the world deeply admire the foresight of the Great Leader, who early on put forth the line of self-dependence, self-support, and self-reliant defense, and who built a powerful, self-reliant socialist country for us.

It is the rock-firm faith of the great leader [yongdoja] Comrade Kim Chong-il to hold steadfast to the independent stand and attitude and embody it further even more thoroughly. Our party and people will continue to move forward resolutely defending the sovereign rights and dignity of the nation and making our country, our fatherland, richer and stronger, following the leadership of the respected and beloved Comrade Kim Chong-il and holding aloft the banner of self-reliance.

Political Essay on Single-Hearted Unity

SK2010104795

[FBIS Editorial Report] Pyongyang Korean Central Broadcasting Network in Korean at 1030 GMT on 14 October 95 carries a 48-minute political essay entitled "Long Live Our Single-Hearted Unity."

The essay begins by describing various functions held in Pyongyang to mark the 50th anniversary of the founding of the Workers Party of Korea [WPK] such as the dedication ceremonies for the completion of the WPK's founding monument, Chongnyu bridge, and Kumnung tunnel; the military parade and the rally of one million Pyongyang citizens in Kim Il-song plaza; and the students' mass gymnastics.

The essay stresses that these events were "a staunch countenance of socialist Korea united as one mind and one will around the great leader [yongdoja] General Kim Chong-il according to the fatherly leader's [suryong] lifetime behest and the firm faith and will of our party and people to consummate the chuche revolutionary cause to the end by living eternally with the ideology of single-hearted unity."

After describing the importance of single-hearted unity and quoting foreigners praising Kim Chong-il's leadership, the essay continues to note the solidity and powerful might of "our single- hearted unity," saying: "the imperialists' military pressure, economic blockade, and ideological and cultural offensives do not work", and "the whole country and all the people are vigorously advancing along the single road of chuche, holding aloft the red flag."

Noting that "our single-hearted unity is the most solid, viable, invincible unity which has embodied the great philosophy of revolutionary unity for the first time in history," the essay praises Kim Chong-il by saying that the single-hearted unity of Korea today is "a great summation of the respected and beloved general's revolutionary philosophy and a brilliant fruition of the general's sleepless, restless, entire energy and efforts."

The essay also notes that "unity, which is the great foundation of the revolution, should be linked ideologically, volitionally, morally, and with a sense of obligation on the basis of one center and one ideology" and says that this is "the philosophy and fundamental principle of our party's unity."

The essay says that the Korean revolution has become the world's model of single-hearted unity as seen from today's perspective, because "it has upheld generation after generation the respected and beloved leader Comrade Kim Il-song and the great leader [yongdoja] General Kim Chong-il, the matchless great men in the world in terms of ideology, leadership, and reputation for virtue."

Recalling the history of single-hearted unity by citing the young Korean communists who were firmly rallied around Kim Il-song with single-hearted unity, the essay praises Kim Chong-il for his presentation in the 1970's of the "great program for modeling the entire party and the whole society after the chuche idea" and says that thanks to Kim Chong-il's "sleepless efforts" for the realization of the program "the entire party and the whole society have been filled with the chuche idea and the single-hearted unity of our party and revolutionary ranks imbued with one ideology have been able to enter a higher stage."

Describing the WPK's politics of benevolence and all-embracing politics, the essay notes Kim Chong-il's personal letter addressed to writers a few years ago and quotes a poet's poem praising Kim Chong-il for his love and benevolence toward them, as well as toward the people.

In conclusion, noting the "greatness" of Kim Chong-il who "has unfolded a great flower garden on this land," the essay urges the people to unite as one mind under Kim Chong-il, saying that "as long as we have our single-hearted unity which our friends envy most and which the enemies fear most we can turn adversity into prosperity and can turn misfortune into fortune."

Meeting Observes Anniversary of House of Culture

SK2010104495 Pyongyang KCNA in English
1006 GMT 20 Oct 95

[FBIS Transcribed Text] Pyongyang, October 20 (KCNA) — A meeting took place on the spot on October 19 to commemorate the 20th anniversary of the April 25 House of Culture.

The House of Culture has been a base of ideological and cultural education and made great contributions to the entertainment of the servicemen and people since its opening in October 1975.

With a far-reaching plan to build a modern house of culture for the servicemen and people the great leader President Kim Il-song picked up a lot on the Pothong River for the house in the early 1970s.

The great leader Comrade Kim Chong-il made unremitting efforts so that the project could be finished on the highest level and in a short span of time.

The Sixth Congress of the Workers' Party of Korea [WPK], national meeting of heroes, meetings of the Korean People's Army, and other party, state and army meetings, short-term courses, lecture meetings, art performances and film shows took place in the House of Culture in the past 20 years.

The Order of Kim Il-song was awarded to the House of Culture on its 20th anniversary and the WPK Central Military Commission's congratulatory message was conveyed to the officials and employees.

In the message the WPK Central Military Commission recalled that the official and employees of the House of Culture have grown to be communistic men who are rallied close around the party in one mind and devotedly work for the party with loyalty and filial piety and thos the House of Culture has been built into the centre of ideological and cultural education for the servicemen and people, and highly appreciated the officials and employees of the House of Culture for their spectacular achievements gained in the fulfilment of revolutionary tasks through their devoted services.

Han Kwang-hui, president of the House of Culture, in the report at the meeting said the proud chronicle on the House of Culture is associated with the wise guidance and loving care of the great leader Comrade Kim Il-song and comrade Kim Chong-il, respected supreme commander, who put their hearts and souls into providing the Korean people and the People's Army soldiers with more excellent facilities of politico-ideological education and entertainment.

The meeting adopted a letter of pledge to Comrade Kim Chong-il.

Rice, Corn Harvests in Rural Areas Reported

SK1910125295

[FBIS Editorial Report] The following is a compilation of reports on rice and corn harvests in North Korea carried by Pyongyang Korean Central Broadcasting Network in Korean [PKCB] and Pyongyang Korean Central Television Network in Korean [PKCT].

PKCB carries at 2100 GMT on 7 October a short report mentioning South Hwanghae Province "cuts rice plants at an average of 7 percent of the total plan each day." The report stresses that Pyoksong County finished over 90 percent of rice harvesting as of 4 October.

This report is followed by a 2-minute report on rice harvesting by cooperative farms in Nangnang District, Pyongyang. The report carries recorded portions of interviews with the chief engineer of the Nangnang District Cooperative Farms Management Committee and the manager of Songnam Cooperative Farm. They say Sonhwa Cooperative Farm harvests rice from 10 percent of the total rice paddies every day," and "Songnam Cooperative Farm has finished 80 percent of rice harvesting and is expected to complete the rice harvest around the 50th anniversary of the party founding."

Also at 2100 GMT on 7 October, PKCB carries another short report on rice harvesting and threshing by cooperative farms in Sohung County, North Hwanghae Province. After noting that "this county has threshed some 100 tonnes of rice," the report particularly mentions Hwagok, Songpo, and Komun Cooperative Farms are properly cutting, transporting, and threshing rice plants.

PKCB carries at 1200 GMT on 18 October a short report by a reporter from Shinchon County. The report states: "Cooperative farms in Shinchon County have finished rice harvesting under the county party committee's guidance."

This report is followed by another short report, which says: "Agricultural working people in Nampo have accomplished 54 percent of the planned rice harvesting as of 4 October. Kangso District has accomplished 60 percent of the rice harvesting plan, and Hanggu District has accomplished 59 percent of the plan."

PKCT carries at 1100 on 12 October a short report on corn harvesting by the Sorim Cooperative Farm in Yomju County. Citing the names of several exemplary farm workers, the report notes this farm "is accelerating the final step of harvesting and threshing corn."

This report is followed by another short report on corn harvesting by the Toksu Cooperative Farm in Panmun County. The report says that "functionaries at this farm are arousing farmers by strengthening political work and explanation work for them," and stresses that "the farmers are not only accelerating corn harvesting but also are properly preserving corn in well-made boxes."

PCBK carries at 2100 GMT on 12 October a short report on rice harvesting "being accelerated by agricultural working people and supporters in North Hwanghae Province." The report says: "Under the guidance of the provincial party committee, the province's rural economic committee tenaciously organizes work for vigorous rice harvesting and lets people actively accelerate harvesting." The report particularly mentions that "Tongsan County overfulfills its daily harvesting plan each day."

PKCT carries at 1100 GMT on 14 October a short report on corn threshing by the Hwanggang Cooperative Farm in Tosan County. The report states: "While deeply bearing the fatherly leader's [suryongnim] on-the-spot guidance on methods of successful farming and harvesting, farmers at this farm thresh tens of tonnes of corn every day by tenaciously organizing work and operating threshing machines at full capacity."

PKCT also carries at the same time another short report on threshing "being accelerated by farmers at Wolsong Cooperative Farm in Sinchon County." The report mentions that on the 20th anniversary of Kim Chong-il's on-the-spot guidance to the farm, the farmers "well organize labor and timely check and repair tractors and threshing machines, thus operating them at full capacity" and "work in a proper and tenacious work style so as to prevent the loss of even a single kernel of corn."

PKCB carries at 2200 GMT on 14 October a short report on the rice harvesting accomplishment by cooperative farms in South Hwanghae Province. The report mentions that Chaeryong, Ongjin, Yonbaek Plains, as well as state-run farms in the province, "have successfully accomplished rice harvesting in a short period of time."

PKCT carries at 1100 GMT on 15 October a short report on the rice harvesting "being vigorously accelerated" by the Songwol Cooperative Farm in Ongjin County. The report says: "Farmers at this cooperative farm, who have successfully fulfilled this year's farming in accordance with the chuche farming method presented by the great leader [suryongnim], are cutting and threshing rice plants responsibly not to lose even a single kernel of corn." The report adds: "They keep overfulfilling their high daily plans by mobilizing all available labor and machines and tenaciously organizing work and by accelerating work while putting themselves into competition with one another."

This report is followed by another short report on corn harvesting by the Sangso Cooperative Farm in Anju. The report says that "farmers here successfully raised corn this year and have well finished the picking corn and have begun to thresh corn without delay" and that they "are overfulfilling daily plans by tenaciously repairing threshing machines and increasing their operating capacity."

PKCB carries at 2100 GMT on 15 October a short report on rice harvesting by rural areas in South Hamgyong Province. The report says: "All rural areas in the province accomplish rice harvesting from over 10 percent of the total rice paddies each day by mobilizing all available labor and transporting means." The report continues: "Following Hongwon County, which has finished rice harvesting first in the province, Kumya, Hamju, Chongpyong, and Pukchong Counties are also accelerating the harvest at the final stage."

PKCB carries at 2200 GMT on 15 October a short report that says that "farmers in Hwangju County harvest rice from about 550-chongbo paddies each day." The report notes the Yongchon Cooperative Farm has already finished rice harvesting.

PKCB also carries at 2200 GMT on 15 October a short report on barley seeding by farmers in Kaesong. The report says the farmers in the city have accomplished 55 percent of the barley seeding plan as of 11 October and are speeding up the work to complete the barley seeding in a few days.

Joint-Venture Spring Water Plant Completed

SK1910144495 Pyongyang Korean Central Television Network in Korean 1100 GMT 8 Oct 95

[FBIS Translated Text] On the occasion of the 50th anniversary of the founding of the Workers Party of Korea [WPK], the joint-venture Koryo Sindoksan Spring Water Plant has been completed and put into operation.

A ceremony to begin operating the plant was held on the spot on 7 October. Hong Song-nam, vice premier of the Administration Council and managing director of the Korean International Joint Venture Company, and functionaries of sectors concerned participated in the ceremony with the plant's employees. Present at the ceremony were also functionaries and businessmen of the General Association of Koreans Residing in Japan [Chongnyon], including Choe Pyong-cho, vice chairman of Chongnyon, and Kim Chun-yon, president of Chongnyon (Aegyo) Company.

Speeches were made at the ceremony. Stressing that Koryo Sindoksan Spring Water Plant has been put into operation thanks to the great confidence and consideration, the speakers expressed the resolution of all functionaries and employees of the plant to fulfill their loyal and filial duties for the respected and beloved general by devoting all their strength and wisdom to developing the plant into a chuche-type general beverage production base.

After a red ribbon was cut, indicating the start of operating the plant, the participants looked around the modern process lines.

[Begin recording] [Unidentified reporter] We are proud of the opening of Koryo Sindoksan Spring Water Plant on the occasion of the 50th anniversary of the founding of our party. First, would you please explain the background of the construction of this plant?

[First unidentified speaker] This year, on the 50th anniversary of the founding of our party, the modern Koryo Sindoksan Spring Water Plant was completed in a short period of time in the respected and beloved comrade supreme commander's great love and consideration. Long time ago, the great leader [suryongnim] taught on several occasions that Sindoksan has clean spring water.

The respected and beloved comrade supreme commander has recently repeatedly given his teaching on constructing a new spring water plant in the Sindoksan area, upholding the great leader's behest. Upholding the respected and beloved comrade supreme commander's teaching and remarks, we quickly constructed the plant in a short period of time.

With the opening of the plant ahead, the respected and beloved comrade supreme commander personally indoctrinated to name it Koryo Sindoksan Spring Water Plant. Based on his profound historical and archaeological study, the respected and beloved comrade supreme commander grasped the fact that spring water has existed since the Koryo Dynasty and starts from the bosom of Mt. Sindok and personally named the plant Koryo Sindoksan Spring Water Plant.

[Second unidentified speaker] I will work with all my strength and wisdom and fulfill my loyal and filial duties to the great leader [yongdoja] Comrade Kim Chong-il who prepared this modern plant. While being aware of the great leader's deep consideration of our people's living, I will devote all my strength and wisdom to handling carefully facilities and to producing spring water to the maximum so that I can make the great general happy. [end recording]

South Korea

North Claims 'Infiltrator' Case 'Fabrication'

SK2010064895 Seoul YONHAP in English 0627 GMT 20 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 20 (YONHAP) — North Korea insisted Wednesday that a recent case involving an armed North Korean infiltrator was a "fabrication" created by South Korea, informed sources said Friday.

It was the first comment by North Korea about the case since one of the alleged two or three North Korean armed infiltrators was shot to death just south of the demilitarized zone on Tuesday morning after crossing the border.

The North claimed in a broadcast that the case had been "fabricated by the South Korean authorities which are trapped by a sense of extreme crisis," according to the sources.

Meanwhile, North Korea made the remarks through the "National Democratic Front of South Korea," which the North alleges is an independent, anti-government underground broadcasting organization in the South but actually is known to be located in Kaesong, a city in the socialist country, the sources said.

Rifle, Bag of Another North Agent Found 20 Oct

SK2010085795 Seoul KBS-1 Radio Network in Korean 0805 GMT 20 Oct 95

[FBIS Translated Text] The rifle and bag of another armed agent have been found.

On 20 October, the Ministry of National Defense stated that a rifle and bag were found on the lower reaches of the Imjin River, approximately 200 meters away from the spot where a North Korean armed agent was shot dead on 17 October. However, a body was not found.

The rifle and the bag have been confirmed to be the same as those carried by the armed agent who was shot dead on 17 October. The Ministry of National Defense stated that accordingly, it seem very probable that the armed agents who infiltrated into the South along the Imjin River comprise a team of three armed agents.

Therefore, the Ministry of National Defense has decided to continue a search and reconnaissance operation in the areas along the Imjin River.

UN Command Confirms Infiltration Attempt

SK2010023095 Seoul THE KOREA TIMES in English 20 Oct 95 p 3

[FBIS Transcribed Text] The United Nations Command (UNC) said yesterday that its investigation team concluded that a North Korean shot to death by South Korean Army guards Tuesday morning on the shore of the Imjin River, south of the Demilitarized Zone, was indeed on an infiltration mission.

It said that the team closely examined the body of the North Korean and his equipment including a camera and K-16 rifles [type of rifle as published] before arriving at such a conclusion.

The UNC's conclusion confirmed the South's earlier presumption that the North Korean was an infiltrator. The incident served to remind the South Koreans of the North's constant armed threat despite its benevolent move to provide rice to the north.

Accordingly, the UNC lodged a strong protest condemning the North for its "flagrant" violation of the Korean Armistice Agreement by trying to infiltrate its armed agent for the purpose of disrupting peace and stability in the South.

The protest, sent by Maj. Gen. Yi Sok-pok, senior member of the UNC Military Armistice Commission, was to be forwarded to his North Korean counterpart Yi Chan-pok at joint duty officers' meeting at the truce village of Panmunjom.

He said, "I strongly protest your side's armed infiltration in flagrant violation of the armistice agreement. The infiltrator was heavily armed and carried camera equipment, revealing the nature of his mission as espionage."

"This reckless infiltration of an armed North Korean soldier was further compounded in its gravity by attempting to disguise this individual in the South Korean Army uniform, a clear violation of international law," he said in the statement.

In conclusion, he warned that such a provocative, ill-considered violation of the armistice agreement can only serve to seriously increase tensions between the two sides.

At the JDO meeting, the North Korean representative refused to accept the message, stating that by the direction of his superiors, he was not allowed to receive messages regarding the Armistice Agreement, the UNC said.

The North has unilaterally cut off all MAC channels with the UNC side, demanding that the Armistice Agreement be replaced by a peace system with the United States to the exclusion of the South.

The UNC duty officer protested his northern counterpart's action for his arbitrary interpretation of the armistice, adding that the UNC remains firm in its commitment to keep it up.

Army Ends Alert Following Infiltration Attempt

SK2010025995 Seoul THE KOREA HERALD in English 20 Oct 95 p 3

[FBIS Transcribed Excerpt] The Army yesterday lifted an alert prompted Tuesday after the shooting of a suspected armed North Korean infiltrator.

The alert was lifted as of 8 a.m. [2300 GMT 19 October] and 850 temporary checkpoints put up north of Seoul were removed as of 6 a.m., an Army spokesman said.

But the Army troops near the Imjin River continued a search and reconnaissance operation, the spokesman said.

The Defense Ministry said Wednesday that a second infiltrator, surviving a shooting by South Korean guards, was spotted coming out of the Imjin River and escaping back into the north under cover of darkness Tuesday night.

An extensive manhunt by the Army and the police started early Tuesday for another possible North Korean infiltrator between Seoul and the border area.

A North Korean soldier in wet suit was shot and killed by South Korean guards at around 2:20 a.m. Tuesday, 1.5 km south of the Freedom Bridge near the Imjin River, some 40 km north of Seoul.

The body of the infiltrator was found after dawn broke some 3 km south of the Demilitarized Zone along with two M-16 rifles, three grenades, two cameras and a survival kit. [passage omitted]

Daily Analyzes North's Infiltration Attempt

SK1910115795 Seoul SEOUL SINMUN in Korean 19 Oct 95 p 3

[Editorial: "Was the Armed Spy Sent in Return for Rice Aid?"]

[FBIS Translated Text] The attempt to infiltrate the ROK via the Imjin River by a North Korean armed spy, who was shot to death, clearly shows that there has been no change in North Korea's strategy on the South. This awful repayment for our voluntary provision of rice aid to attenuate North Korea's misfortune worsened by the floods was like stabbing us in the heart with a dagger. It is also like pouring cold water onto the North Korean superficial gesture toward peace with its routine comment on a "peace treaty." This North Korean attitude is definitely not an ordinary affair.

Of course, experts must be working on military strategic analyses of this case. Now, without the result of the analyses, it is most difficult to understand that North Korea, which is believed to hope for exchanges with its neighboring countries, exposed its unchanged stratagem at a time when the United Nations is holding events marking the 50th anniversary of its foundation, and when negotiations on exchanging missions between North Korea and the United States are coming to a conclusion.

There is no other way to interpret the North Korean attitude but by explaining that a certain hidden attempt of North Korea emerged through the surface of its superficial peace gesture. It is a matter of concern that we apparently think little about such North Korean character.

The situation makes us think there must have been more spies in addition to the one shot to death, as well as makes us worry about the possibility that a few spies have already succeeded in their infiltration attempt. There might be infiltrations by North Korean agents in different ways than before. As our alertness against North Korea has been loosened because of various social conditions, it is unlikely that all North Korean attempts have failed.

In particular, it is analyzed that the recent infiltration attempt is related to the emergence of conservative hard-liners following the military reshuffle directed by Kim Chong-il. This clearly shows what attitude we should assume to cope with North Korea. We are often oblivious to the invariable nature of North Korea, which changes its exterior color without any internal change. This is a foolish act causing mistakes.

From this viewpoint, I sympathize with President Kim Yong-sam's will expressed in his statement, "We must not have an illusion with regard to issues between South and North Korea...and have to prudently develop our policy on North Korea while carefully watching the North Korean situation." I think it is necessary now for both the military and civilians to harden their will.

North To 'Attempt To Alienate' South

SK2010061495 Seoul CHUNGANG ILBO in Korean 20 Oct 95 p 9

[Article by Kim Yong-ho: "North Korea's Position on DPRK-U.S. Agreement"]

[FBIS Translated Text] The DPRK-U.S. Agreement in Geneva appears to have made a decisive contribution to North Korea maintaining its system and regime. Through this agreement, North Korea has been provided with heavy oil, and has ultimately obtained practical interests by way of support for light-water reactors. Moreover, by securing a regular dialogue channel with the United States, North Korea has been able to leave out South Korea in directly solving various problems with the United States, thus winning a diplomatic victory.

After persistent negotiations with the United States over the nuclear issue, North Korea signed the agreement three months after Kim Il-song's death. In the wake of the worst situation since its regime was established, including diplomatic isolation, economic difficulties and the death of its leader, North Korea succeeded in reducing security threats from the United States.

Although it is too early to judge the stability of Kim Chong-il's political power, the DPRK-U.S. agreement can be said to comply with North Korea's basic long-term political and military goals to establish a new peace regime, while obtaining short-term economic interests.

Meanwhile, despite the support being extended to North Korea according to the DPRK-U.S. Agreement, the possibility of North Korea not accepting the special inspection, which is intended to probe into the transparency of North Korea's past nuclear activities, is very high. Han Song-yol, councillor in the North Korean mission to the United Nations, clearly stated that North Korea will refuse special inspections.

In addition, it seems that North Korea will more positively push ahead with conclusion of the peace agreement between North Korea and the United States through the DPRK-U.S. diplomatic channel. North Korea will also actively strive to establish diplomatic relations with Japan. By doing so, North Korea will probably attempt to alienate ROK-U.S. relations and ROK-Japan relations, which were very close during the Cold War era, and seek practical economic support. This strategy of North Korea has been implemented to a considerable extent. As a result, North Korea has achieved a great deal, including the successful obtaining of 500,000 tons of rice support from Japan.

NSP Official Analyzes North's 'Propaganda'

SK1910120495 Seoul YONHAP in English 1144 GMT 19 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 19 (YONHAP) — North Korea has lately softened various combatant words used in their propaganda against the South apparently to make them better appeal to the South Koreans.

An official at the Agency for National Security Planning (NSP) said Thursday the change in the tone seems intended to smoke-screen their belligerence and dispel the South Koreans' allergy to their propaganda tirades.

For example, he said, their pet words "struggles for revolution in the South" have been changed into "campaign for renovation in the South" and the stereotyped phrase "masses struggles" into "masses movement."

In another instance, the phrase "masses struggles can attain their goal only when they are developed into struggles for the seizure of power" as described in the original "theory of revolution in South Korea and unification of the fatherland" was modified this year into reading "masses movement facilitates the expulsion of reactionary elements and the successful implementation of a social renovation campaign," the NSP official said.

He also said that North Korea has been escalating sharply their propaganda broadcasts against the South.

The number of the North's propaganda pieces broadcast against the South increased from about 200 in 1993 to 870 last year and further to 800 in the first nine months of this year, the NSP official said.

South-North Worsening Relations Analyzed

SK1910121595 Seoul CHOSON ILBO in Korean 19 Oct 95 p 3

[Article by Kim Yon-kwang]

[FBIS Translated Text] South-North relations are facing the worst circumstances. In its slander against the South, North Korea recently stopped using the roundabout expression "the South Korean ruling bunch." Instead, in its abusive language is now directly using President Kim Yong-sam's name. This is a symptom of the uncompromising South-North relations. Through its central broadcast on 18 October, North Korea claimed: "The Usong boat infiltrated into our territorial waters according to the South Korean authorities' orders aimed at aggravating North-South relations." Thus, North Korea rejected our demand for the return of the Usong boat's crewmen, before the South-North dialogue could be resumed.

North Korea's slander against the South and the infiltration incident of a North Korean armed spy threw a wet blanket over the government officials who had one last hope for a change in North Korea's attitude.

In this connection, the government canceled the scheduled reunification-related ministers' meeting to reexamine the overall reunification policy and seek a breakthrough in the improvement of South-North relations.

It was learned that the government had planned to examine at the reunification-related ministers' meeting the possibility of expanding investment in North Korea, which is currently limited to $5 million, on the occasion of the first anniversary of the measures to activate investment in North Korea (8 November 1994).

Paradoxically, South-North relations headed for the worst during the course of rice aid to North Korea. The attitude assumed during negotiations with North Korea, which had no foundation; the incident of hoisting the North Korean flag; and the detention of the Samson Venus ship's crewmen, greatly aggravated the people's sentiment toward North Korea. While getting the aftereffect under control, the government's reunification policy, which seemed to have gotten on the right track, had the feel of a "new blockade" policy.

At the third-round of talks in Beijing, the government proposed "to hold on the Korean peninsula talks by the authorities concerned," as a precondition to assisting North Korea, and is restricting the businesses that are trying to invest in North Korea. It was learned that North Korean authorities are keenly aware that it will be difficult to lure Western capital as long as ROK businesses' large scale investment does not come first.

Kim Chong-u, vice chairman of North Korea's External Economic Affairs Committee, who held in Beijing last September an explanatory meeting on investing in North Korea, expressed dissatisfaction over the ROK Government's measures limiting ROK businessmen's investments in North Korea.

On the other hand, North Korea is making it clear that it will try to escape from the ROK Government's blockade network through the United States and Japan. While holding the third round of rice talks in Beijing, North Korea also held negotiations with Japan, thus luring competition from both the ROK and Japan. One of the diplomatic efforts to block such attempts by North Korea was the government's recent strong request made to the Japanese Government to refrain from having contacts with North Korea.

Government authorities analyze that before opening up to Western countries, North Korea is insisting "on excluding the ROK Government," thus, intentionally creating a confrontational atmosphere. An official of the National Unification Board explained: "The situation is that it is necessary for North Korea to bind the ROK as the main enemy if it is to have exchanges with the United States and Japan. While the government is forcibly demanding that North Korea advance to the full-scale stage of exchange and cooperation, North Korea is making it clear that it will choose to continue to maintain a tense situation."

If North Korea is to maintain economic openness and bind its system in conformity with this, North Korea must regard the ROK as the main enemy. Therefore, government authorities explain that for the time being, it will be difficult to hope for an epoch-making progress in South-North relations. It seems that South-North relations will become complicated in the future due to variables such as North Korea's economic difficulty, whether Kim Chong-il's regime will be stabilized, and the progress in the improvement of U.S.-DPRK and DPRK-Japan relations.

NSP To Avail Information on North to Public

SK2010070895 Seoul MUNHWA ILBO in Korean 20 Oct 95 p 2

[Report by Han Chong-ho]

[FBIS Translated Text] With its relocation to Naegok-tong as an occasion, the Agency for National Security [NSP] will make materials concerning North Korea available to the public and various sectors of society.

It was learned that this is part of the first phase of the government's policy of opening up its control over North Korean information and data.

Kwon Yong-hae, director of the NSP, stated on 19 October that "of late, political, economic and the press domains have independently engaged in collecting information and data pertaining to North Korea for their own use. However, erroneous information has often been disseminated to them, thus resulting in adverse effects. With the relocation of its office to a new site as an occasion, the NSP plans to hold regular explanation sessions concerning the North Korean situation to experts of various domains."

Director Kwon also revealed that "the era when the NSP monopolized information and data on North Korea has gone. Thus, the NSP formulated a policy for opening the NSP."

Kaesong Most 'Stable' City After Pyongyang

96p30004A

[FBIS Editorial Report] The 24 August Seoul NAEWOE TONGSIN in Korean on pages F2-F3 reported that North Koreans regard Kaesong as the most stable city after Pyongyang because it has received more political, economic, and social "privileges" than other places. Only about 20 percent of the population are natives of the city, and all residents had to undergo background checks before they were selected. The paper noted that because of the city's proximity to the truce line, access to Kaesong has been restricted and monitored. Any resident found guilty of even a misdemeanor has been expelled from the city, the paper said. In 1955, Kaesong was put under the direct control of the central government which has provided assistance to the city in fostering local industrial development and has given it supply rations more steadily than to other areas.

On the other hand, Hyesan in Yanggang Province is labeled as the most "troublesome" and "decadent" city in the country, NAEWOE TONGSIN said, because the chuche ideology is giving way to "Chinese-style capitalism" there, given its location near the Chinese border. Kim Il-song reportedly used to say that if it were not for the young people in Hyesan, North and South Korea would have been reunited already.

Japan Urged To Settle 'Dispute'

SK2010004395 Seoul THE KOREA TIMES in English 20 Oct 95 p 2

[Report by staff reporter Son Key-yong: "No Way Out of Current Diplomatic Row Without Tokyo's Sincerity: Seoul"]

[FBIS Transcribed Text] Seoul vowed to stick to its principle that Tokyo should be the first to find a clue for the resolution of the current controversy over Japanese Prime Minister Tomiichi Murayama's remarks on the 1910 treaty on Japan's annexation of Korea.

"We have already called on Japan to reinterpret the 1965 treaty on basic relations. We will stick to this position," a Foreign Ministry official said.

Apart from the government's stance, a Korean parliamentary leader is planning to visit Tokyo to mend ties.

Rep. Kim Yun-hwan, chairman of the ruling Democratic Liberal Party, heads the Korean side of the Korea-Japan Parliamentarians' League and plans to visit Japan on Nov. 1 to meet Japanese political leaders and work out a solution to the worsening diplomatic friction between the two countries.

Earlier, the Korean side indefinitely postponed the regular meeting of the parliamentarians' league, slated for Nov. 3-5 in Seoul.

Currently, Seoul hopes that Tokyo will work out an initiative to patch up bilateral ties before President Kim Yong-sam travels to Osaka on Nov. 19 to attend the Asia-Pacific Economic Cooperation (APEC) summit.

As Foreign Minister Kong No-myong has already said that Seoul had "exhausted all possible means" to settle the dispute, Seoul officials view that they are not in a position to make concessions because it is a "matter of principle."

Seoul maintains that the annexation treaty was illegitimate because Korea was coerced to sign it, while Tokyo sees that it was valid. The different views on the treaty have become a constant source of dispute between the two countries.

Korean officials said that it is still premature to consider canceling Kim's participation in the APEC summit in Osaka. However, they forecast that an "awkward" situation will be created if the two countries fail to find a way to settle the current controversy before Kim's visit to Japan.

The two leaders have routinely held bilateral meetings while attending the summit of APEC leaders.

"There is no high-level contact scheduled between the two countries. We want Japan to work out a clear-cut position on this issue before such high-level meetings," an official said.

However, he said that in working-level contacts, Korean officials are pressing their Japanese counterparts to work out measures to put an end to the dispute.

It is unusual for the Foreign Ministry to maintain such a hawkish stance on this issue. In the past, the Foreign Ministry has played the role of a "troubleshooter" to prevent Korean antagonism against Japan, resulting from 35 years of brutal Japanese colonial rule, from hurting diplomatic ties.

The worsening dispute also threw a dark cloud on Japanese Foreign Minister Yohei Kono's tentatively scheduled visit to Seoul.

Originally, Foreign Minister Kono planned to visit Seoul Nov. 3-5 to discuss the APEC summit and express his regrets over the controversy.

However, he only contributed to fanning the flaring controversy by taking issue with President Kim Yong-sam's remarks that Japan is responsible for Korea's national division. Kono dismissed Kim's remarks by claiming that Japan is not "directly" responsible for Korea's division.

Government Not Notified of Kono Canceling Visit

SK1910103495 Seoul YONHAP in English 0835 GMT 19 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 19 (YONHAP) — The South Korean Government has not been notified by the Japanese Government of the latter's decision not to send its Foreign Minister Yohei Kono to South Korea early next month, a Foreign Ministry official said Thursday.

"We are still engaging in negotiations on Kono's visit to Seoul before the Asia-Pacific Economic Cooperation (APEC) summit meeting slated for late November in Osaka, Japan, although the possibility of Kono's visit to Seoul is not high at the moment," he added.

The official reiterated that, "it might be unnecessary for Kono to come to Seoul if he is not going to bring any substantial change of position concerning Japan's interpretation of the 1965 Korea- Japan basic treaty regarding the legality of the annexation treaty signed between Korea and Japan in 1910."

Reminding that South Korea's Ambassador to Japan Kim Tae-chi called on the Japanese Foreign Ministry Thursday morning to strongly demand that Japan show its changed position on the interpretation of the Korea-Japan basic treaty regarding the legality of the annexation, the South Korean Government is firmly demanding Japan change its position on the issue.

He, however, added that his ministry is in a dilemma which it cannot disregard, on one hand, it must acknowledge the volatile sentiments of the Korean people who are angry about the remarks made by Japanese politicians defending its colonization of Korea.

On the other, the ministry has many things upon which it must cooperate with Japan, including the upcoming APEC summit meeting, the ongoing negotiations with North Korea on the provision of two light-water reactors to North Korea and bids by both Korea and Japan to join the United Nations Security Council (UNSC) as nonpermanent and permanent members, respectively, he said.

The ministry, therefore, is trying to continue its behind-the- scenes contacts with the Japanese Foreign Ministry to discuss possible solutions to the strained relations between the two countries, while pressuring Japan officially to produce compromises regarding the interpretation of the annexation.

The ministry does not expect Japan to hang a white flag, he said, admitting "it's not an issue which can be resolved within days or months."

He, however, said that the Japanese Government should propose compromise solutions to the controversy surrounding the annexation issue, adding that it was Japan who triggered the debate by commenting on the very sensitive matter.

Dailies Comment on Relations With Japan

SK1910112895

[FBIS Editorial Report] The following is a compilation of articles and editorials carried in Seoul vernacular newspapers on 19 October pertaining to the recent cooling of ROK-Japan relations following remarks by Japanese Prime Minister Tomiichi Murayama claiming that the 1910 Japan-Korea annexation treaty was legally valid, and Japanese Foreign Minister Yohei Kono's denial of ROK President Kim Yong-sam's comments on Japan being responsible for the national division on the Korean peninsula.

The conservative CHOSON ILBO publishes on page 2 a 1,100-word article by reporter Ku Song-chae, entitled "Waves of Absurd Remarks by Japanese Officials — the ROK Government's Position." Noting our government's steps are becoming "more resolute" in the wake of rapidly-cooling ROK-Japan relations, the article refers to remarks by ROK foreign ministry officials that it will take "a long time" to resolve the question of rectifying Japan's distortion of past history, and that "the ROK is prepared to withstand some tension between the ROK and Japan." Noting that the ROK Foreign Ministry cannot repress astonishment at the Japanese Foreign Minister refuting President Kim's remarks since a cabinet member's direct reaction to the remarks of another country's president is "exceptional and inappropriate," the article says that the ROK Prime Minister's office decided to "formally make an issue of his remarks," and that the Foreign Ministry issued a statement of strong protest saying that "the intention to distort history is regrettable." The article adds that the ROK Foreign Ministry intends "to work out all diplomatic measures to call on the Japanese side to precisely define the Korea-Japan basic treaty."

The moderate KYONGHYANG SINMUN carries on page 3 a 900-word editorial under the headline, "We Are Worried About ROK-Japan Diplomatic Friction." Noting that the ROK-Japan summit in New York was even canceled over the "friction" between the two governments over remarks by Japanese leaders on Korea-Japan treaty and Japan's responsibility for Korea's division, the editorial expresses "deep concern" with this situation, and urges the governments and leaders of the two countries to "act more calmly and more prudently." The editorial, at the same time, questions the significance of reviving controversies and disputes of the past when they will only aggravate the sentiments of the people of both nations. The editorial points out that "further aggravation of such friction will not be beneficial to the interests of two countries and to the stability of Northeast Asia," and urges the governments of two countries to "stop arguing and to strive to narrow differences even through informal channels."

The moderate HANGUK ILBO publishes on page 3 a 1,000-word editorial entitled "Japan Responsible for Division." Expressing "indignation against absurd sophism" by Japanese Prime Minister and Foreign Minister, the editorial writes that the forcible conclusion of the 1910 Japan-ROK Protectorate Treaty has, in the long run, caused the division of the Korean peninsula, and that our emphasis on Japan's basic responsibility for Korea's division is not related with compensation, but a call for Japan to reflect on its past "barbarous acts." The editorial calls on the government "to look steadfast at Japan from the standpoint of national pride" and to prepare a "white paper on the history of Japanese imperialists' barbarous acts and on background of division" and to distribute it to a broad range of circles including the United Nations.

The government-supported SEOUL SINMUN carries on page 3 a 900- word editorial entitled, "Japan Is Responsible for Division of Korean Peninsula." Describing remarks of Japanese leaders on legal validity of Korea-Japan treaty and denying Japan's responsibility for Korea's division as "distortion of historic truth," the editorial explains that "the separate occupation of the Korean peninsula by U.S. and Soviet Armies was a direct result of the Japanese imperialists' aggressive war," and writes that "we again appeal to conscientious Japanese people to effect a great turn in their perception of the past."

The left-leaning HANGYORE SINMUN carries on page 3 a 1,100-word editorial with the headline, "Japan's Responsibility for 'Division of Korean Peninsula'." Describing the cooled atmosphere between the ROK and Japan as being "ominous," the daily says "we cannot repress indignation at the repeated absurd and preposterous remarks of the Japanese cabinet members and their attempt to distort history." Noting that "the United States and the Soviet Union were responsible for dividing the Korean peninsula" and that "Japan offered the basic cause to them with their occupation of the Korean peninsula," the editorial points out that Japan's erroneous interpretation of history in a manner favorable to Japan is the very factor aggravating the relations between the two countries. The editorial notes that Japan's annexation of Korea resulted in depriving Korea of the opportunity to propel the nation forward and glorify its national history, and that this result is linked to Korea's division. The editorial then calls on Japan to "apologize to its neighbor for errors committed against its neighboring countries and to seek ways to liquidate its crimes."

Kim Yong-sam Addresses Banquet in Ottawa

SK2010031095 Seoul YONHAP in English 0033 GMT 20 Oct 95

[FBIS Transcribed Text] Ottawa, Oct. 19 (YONHAP) — South Korean President Kim Yong-sam said Thursday increased cooperation between Korea and Canada would "not only pull us toward common prosperity but also usher in an Asia-Pacific era."

In a speech at a state luncheon hosted by Governor-General Romeo Leblanc at his official residence, Kim noted a special partnership recently developed between the two countries as Asia-Pacific regional cooperation is in the making.

"I am convinced that my visit to Canada will be an occasion to strengthen the special partnership between our two countries and to further solidify it," he stressed.

Kim arrived here Thursday morning for a three-day state visit of the Canadian capital.

In the afternoon, he will hold a summit meeting with Prime Minister Jean Chretien and attend a state dinner the prime minister will host in his honor.

President Addresses Dinner

SK2010032995 Seoul YONHAP in English 0256 GMT 20 Oct 95

[FBIS Transcribed Text] Ottawa, Oct. 19 (YONHAP) — President Kim Yong-sam attended a dinner Thursday evening hosted by Canadian Prime Minister Jean Chretien at the grand hall of the Museum of Civilization in Ottawa and stressed the need to further promote bilateral cooperation between South Korea and the North American nation.

The chief executive and First Lady Son Myong-sun left the Government House, the official residence of the governor-general, where they are staying at the guidance of Canadian Chief of Protocol Lawrence Lederman. Upon arrival at the Museum of Civilization, President Kim warmly shook hands with Prime Minister Chretien who was awaiting his arrival there.

Attending the dinner which lasted about two hours were over 400 Canadian dignitaries from various walks of life.

Following a welcoming address by Chretien, Kim proposed a toast expressing a hope that "Korea and Canada will jointly open a prosperous Asia-Pacific era in the 21st century."

In his address, Kim noted, "Exchanges and cooperation between our two countries have rapidly expanded since the prime minister and I agreed two years ago to develop a special partnership between Korea and Canada."

The prospects are "very bright" for cooperation between the two countries, he said, "since Canada and Korea have complementary industrial structures and limitless potential."

"Through the various agreements concluded between our two governments this time, I expect that our bilateral trade will further expand and substantive cooperation in the industrial and technological sectors will progress in earnest," Kim said.

Referring to specific industries in the high-tech sector, President Kim mentioned information and telecommunications technology, the aerospace industry and environmental technology.

Agriculture, Forestry Minister Departs for Canada

SK1310022495 Seoul THE KOREA TIMES in English 13 Oct 95 p 8

[FBIS Transcribed Text] Agriculture, Forestry and Fisheries Minister Choe In-ki yesterday left for Canada to attend the ministerial meeting of the Food and Agriculture Organization (FAO) slated for Oct. 15 in Quebec on the occasion of the institute's 50th anniversary.

The meeting will be held with world food security first on its agenda.

After taking part in the FAO meeting, Choe will accompany President Kim Yong-sam who is scheduled to make an official visit to Canada Oct. 16-21 on his North American trip which will also take him to the United States.

South Korea Joins Zangger Committee

SK1910102895 Seoul YONHAP in English 0741 GMT 19 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 19 (YONHAP) — South Korea Wednesday became the 31st member of the Zangger Committee, a group of the world's nuclear powers whose aim is to restrict the supply of nuclear materials and equipment to developing countries, a Foreign Ministry spokesman said Thursday.

Member countries of the Zangger Committee should consult the International Atomic Energy Agency (IAEA) safeguards while exporting nuclear materials and equipment to developing countries, the spokesman said.

Among the list of the nuclear materials and equipment whose exports are restricted are source materials, special fissionable materials, nuclear reactors, nuclear fuel processing factories and treatment of spent nuclear fuels.

The Zangger Committee, established in 1974 with the aim of nuclear nonproliferation, now has 31 member countries.

The committee is one of the world's two major nuclear nonproliferation organizations along with Nuclear Suppliers Group (NSG), which South Korea joined last Friday.

Official May Probe No Tae-u's 'Secret Fund'

SK1910113995 Seoul YONHAP in English 1028 GMT 19 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 19 (YONHAP) — Deputy Prime Minister Hong Chae-hyong on Thursday suggested his ministry may look into the alleged existence of a huge secret fund owned by former President No Tae-u.

While meeting with reporters, Hong who is concurrent finance and economy minister said, "In connection with Rep. Pak Kye-tong's disclosure, we are now finding out if it is legally possible to determine who is the owner of the fund, and if possible which agency should make a probe."

Rep. Pak of the opposition Democratic Party claimed earlier in the day that ex-President No deposited 400 billion won at 40 different bank accounts opened under borrowed names in January 1993, one month before he stepped down upon the expiration of his tenure.

Kang Man-su, director of the Finance and Economy Ministry's Office of Taxation System, said the existence of the fund does not constitute a violation of the real names financial transaction system because the money was deposited before the system was enforced.

"However, if the secret fund were found to actually exist through prosecution probe, the Tax Administration would be able to find out if the fund entailed any tax evasion and if it violated the political fund law," Kang said.

Prosecution: 'Cannot Launch' Probe Into Fund

SK1910114695 Seoul YONHAP in English
1033 GMT 19 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 19 (YONHAP) — The Prosecutor General's Office said Thursday it cannot launch a probe into the alleged existence of a 400-billion-won secret fund owned by former President No Tae-u merely on the ground of an opposition lawmaker's exposure.

An Kang-min, director of the office's Central Investigation Department, said that at the moment there is no evidence of any crime involved in the alleged secret fund.

"We plan to determine whether to investigate the fund once materials related to the exposure are provided to us by a relevant office like the Finance and Economy Ministry or the National Tax Administration," An said.

He said that though Rep. Pak Kye-tong produced the bank account number allegedly used in the deposit of the fund, no investigation can be made unless there is an express evidence of crime.

An said his department would decide whether to look into it if a relevant government office furnishes related materials to the prosecution or if some person files a lawsuit over the fund.

Meanwhile, the Office of Bank Supervision and Examination [OBSE] said it has no plan to look into the Sinhan Bank account which contains more than 10 billion won, allegedly part of No Tae-u's secret fund.

Kim Yong-chin, OBSE director, told reporters, "We can examine the case if some government office asks us for a probe, but we don't feel the need to investigate it on our own simply because there is a large bank deposit under a borrowed name."

Former No Aide Denies Allegations of Accounts

SK1910110095 Seoul YONHAP in English
0639 GMT 19 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 19 (YONHAP) — A close aide to former President No Tae-u flatly denied an opposition lawmaker's allegation Thursday that No has 400 billion won (about 522 million U.S. dollars) deposited in some 40 accounts at Seoul-based commercial banks.

Pak Yong-hun, No's chief secretary, said, "It has nothing to do with us... If somebody investigates into the owners of the accounts that Rep. Pak Kye-tong of the Democratic Party disclosed, then people will know that the allegation is not true."

However, he said he has not directly briefed No on Rep. Pak's allegation yet.

More than two months ago, former Government Administration Minister So Sok-chae asserted that a former president had 400 billion won stashed in a secret fund, creating a stir among the public.

Government To 'Thoroughly' Investigate Fund

SK2010034495 Seoul YONHAP in English
0251 GMT 20 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 20 (YONHAP) — The government decided Friday to thoroughly investigate the allegations that former President No Tae-u possesses a "400-billion-won secret fund" in an effort to clear up public suspicions aroused by an opposition lawmaker's revelation during an interpellation session Thursday.

Prime Minister Yi Hong-ku held an urgent meeting of related ministers Thursday evening, including Deputy Prime Minister and Economic Planning Minister Hong Chae-hyong and Justice Minister An U-man, at the prime minister's official residence in Samchong-tong.

A senior secretary of the prime minister said the cabinet ministers agreed at the meeting that the prosecution's investigation into the alleged slush fund case is inevitable.

The prosecution investigated allegations of a secret fund two months ago when a former government administration minister said that a former president had 400 billion won stashed away in secret accounts but failed to secure any evidence at the time.

The senior secretary said, "As the people's suspicions are increasing about the alleged secret fund, the ministers agreed that a thorough investigation into the case is inevitable... So the government has no choice but to let the prosecution take charge of the case to ensure a dependable investigation into the truth of the allegations."

Prime Minister Yi will announce the government's decision to open an investigation into Former President No's alleged secret fund at the National Assembly Friday, he said.

Other related authorities including the National Tax Administration and the Office of Bank Supervision are expected to look into the bank accounts allegedly containing huge amounts of money under borrowed names and hand the results of their probes over to the prosecution.

The government's investigation this time is likely be much tougher than the one conducted earlier in view of the fact that it has been prompted by such solid evidence as copies of a borrowed- name account presently holding a huge sum of money of dubious origin.

Opposition Presses Probe of Alleged Secret Fund

SK2010054295 Seoul YONHAP in English 0421 GMT 20 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 20 (YONHAP) — The three opposition parties were unanimous Friday in damanding a thorough investigation into allegations that former President No Tae-u has 400 billion won secretly hidden in bank accounts opened in other people's names.

The main opposition National Congress for New Politics (NCNP) decided Friday to cooperate with the two other opposition parties — the Democratic Party (DP) and the United Liberal Democrats (ULD) — in demanding that the prosecution probe the secret fund case and that the parliament look into it if the prosecution does not conduct the investigation.

NCNP spokesman Pak Chi-won said President Kim Yong-sam should instruct a thorough investigation into the matter to clear up any suspicions the people may have.

The NCNP is considering parliamentary investigations into the allegations as an approach, but it has not yet been decided whether parliamentary probes would be more desirable than an investigation by the prosecution, he added.

The Democratic Party demanded that the prosecution conduct a thorough investigation of No's alleged secret funds, as well as of the rumor that he has a secret Swiss bank account.

The United Liberal Democrats said all law-enforcement agencies, both the police and prosecution, should reveal the truth about No's alleged secret fund scandal through a thorough investigation.

Citibank Tells OECD To Accept ROK as Member

SK2010030195 Seoul THE KOREA TIMES in English 20 Oct 95 p 9

[FBIS Transcribed Text] Citibank endorsed Korea's entry into the OECD when the OECD mission visited its Seoul office this week.

John M. Beeman, country manager for the American bank, said he told the mission to accept Korea as a member, both for the sake of Korea and the OECD itself.

He said Korea is capable of absorbing the structural adjustments it must make ahead of joining the OECD without putting its economy at risk as long as progress is made one step at a time, namely "running or walking faster."

But he cautioned that he does not want Korea, nor should the OECD advise Korea, to adopt a "big-bang approach" in deregulating the economy, saying that it is too complex. There is no way of knowing what links would cause a chain reaction in the economy and the financial sector and thus no way of knowing whether a big bang-style deregulation might be a disaster because of the complexity of the economy, he told the OECD mission.

Asia is the fastest-growing region in the world. In the future, Asia will be larger than Europe in economic output. Thus in order for the OECD to expand its influence, it needs to welcome Korea as a member, he told the mission. He told the mission that he believes the "substance and timing of the liberalization program is more important than speed."

"It is not so important whether Korea deregulates this sector or that sector either this year or next year. What is important is for Korea to put forward a clear-cut timetable, specifying what it will deregulate and when," he said.

He said that a pre-announced financial reform plan must be implemented without fail, even in the face of an adverse domestic political situation. Citibank is the only foreign bank that the mission visited during its one-week stay here.

Importers Unable To Monopolize Foreign Brands

SK2010021895 Seoul THE KOREA TIMES in English 20 Oct 95 p 8

[FBIS Transcribed Text] From November 1, the government will allow multiple importers to compete with each other to sell the same foreign brands here, ending a system that has allowed distribution agents having exclusive agreements with foreign suppliers to monopolize the Korean market.

The Ministry of Finance and Economy yesterday announced that it will revise customs and fair trade rules to bar a single exclusive agent from monopolizing the sale of foreign brands here.

The measure is a great embarrassment to the licensed agents which have monopolized the domestic sale of foreign brands such as Levi's jeans and Callaway golf sets. But it is welcome news to consumers because they will be able to buy authentic foreign goods at cheaper prices than before, a Ministry of Finance and Economy official said.

"We decided to allow competition among local sellers of foreign brands to lower import prices and to give consumers more choice and freedom when picking foreign brands, he said, adding that currently licensed exclusive agents sell foreign brands at quite expensive prices, with import margins sometimes 10 times the import price."

The competition will also ensure consumers receive better after- sales service from suppliers, he said.

Even though the "parallel import system" is being introduced, there is no way the government can go further and require foreign makers to break exclusive contracts with existing importers and distributors. But even though foreign suppliers may maintain exclusive agreements with single distributors in Korea, other importers will be able to buy the same foreign products and sell them to Korean customers here, the ministry said.

The government will crack down on importers of "imitation foreign brands" whose circulation might increase following the allowing of unlicensed agents to sell foreign brands here.

Under the current customs rule, import agents having exclusive distribution contracts with foreign makers are allowed to bring in specific foreign brands and sell them in Korea on an exclusive basis.

Subject to the new rule of multiple imports will be 430 or 85 percent of the 505 foreign brands filed with Korea Customs Service.

Hyundai Furnace Steel Mill Plan Opposed

SK2010021695 Seoul THE KOREA TIMES in English 20 Oct 95 p 8

[FBIS Transcribed Text] The Hyundai Group and the government are headed for a showdown over the former's desire to move into furnace steel making.

Pak Se-yong, chief of the planning office of the Hyundai Group, told reporters Wednesday that his group is determined to construct a furnace steel mill.

The state-run Pohang Iron and Steel Co. is the sole Korean steelmaker starting from iron ore in furnaces.

Pak said, "We will submit an application to the government after full consultation with government officials on the supply and demand situation in steel in the future."

But Trade, Industry and Energy Ministry officials reacted negatively to the Hyundai project. Yi Kon-u, director general of the ministry's Basic Industry Bureau, said that the government expects companies to use their funds wisely and not to seek to reinvent the wheel in key industries, including steel.

Hyundai, as a newcomer, will need government approval to import technology to Korea.

Hyundai has frequently indicated it wants to jump into furnace steel milling at meetings with public servants or steel manufacturers, creating waves. This last announcement is a formal expression by a high-ranking Hyundai official of the group's steel manufacturing intentions.

He said, "It's impossible for us to construct a furnace steel plant overseas as it needs a huge amount of money. We are selecting locations on the western and southern coasts of our nation."

Pak is a close aide to Hyundai founder and honorary chairman Chong Chu-yong, and was particularly active during the presidential election campaign of the founder in 1992.

Pak said his group is seeking to construct smaller but more high- tech Corex-type steel plants in one of four nations, Australia, Venezuela, Brazil and India where both gas and iron ore are produced.

Early next month, Hyundai plans to unveil a long-term program for the group focusing on its financial and insurance service business and massive overseas investment projects.

NSP Ends 34 Years of Namsan Compound

95p30167A

[FBIS Editorial Report] The 25 September Seoul TONG-A ILBO (retrieved from the Chollian database) in Korean reported that on 24 September the Agency for National Security Planning (NSP) closed down the Namsan compound, which it occupied for 34 years. The Seoul City Government has purchased the Namsan compound at 84 billion won and will use it to house city government offices for awhile, and eventually will return it to Namsan Park.

NSP's move to its new home in Naegoktong should help define the new image it has been trying to project, the paper said. In 1981, the agency changed to name from the Korean Central Intelligence Agency to current one, however, it remained a symbol of "political and ideological corruption," and a reminder of a dark period during which the country was under a military dictatorship, the paper noted. The daily quoted a high ranking NSP official as saying that with the move, the agency "hopes to shed its 'dark past' and create a 'new beginning,' and the new Naegoktong home will become the symbol of national security and trust." The daily added that the "NSP intends to become the people's agency."

Under the Kim Yong-sam government, the NSP has changed a great deal, TONG-A ILBO observed, but it still has a long way to go before it will be trusted by the people. Approaching the 21st century, the NSP has promised to stay out of ROK political affairs, protect national security, and to become a bridge between Korea and other countries to provide the information needed by government, industry, and society, the paper said. TONG-A ILBO welcomed the NSP's new direction and its recent establishment of the "Committee for Developing Information Mechanisms for the 21st Century." However, the daily added that "good plans do not go anywhere unless implemented."

Burma

NCGUB Statement on SLORC, World Bank

BK1910091895 (Internet) BurmaNet News in English 19 Oct 95

[Statement issued by the Information Office of the National Coalition Government of the Union of Burma, NCGUB, in Washington D.C. on 16 October: "No Resumption of World Bank Assistance to Burma; the Reasons Why!"]

[FBIS Transcribed Text] Throughout its seven years of iron-fisted rule, the military-run State Law and Order Restoration Council (SLORC) has been claiming economic successes and putting up a pretense that all is well. Yet, today, the SLORC finance minister and his delegation are touring the globe, knocking on the doors of international financial institutions to seek loans and assistance.

When a financial crisis hit Burma in 1988 there was only around US$12 million in foreign currency reserves left in SLORC's coffers. The most logical option left was for SLORC to work with the pro-democracy forces to save the country. But at this critical juncture an inflow of foreign investment seeking quick returns from Burma's natural resources was obtained. SLORC was thus saved from financial disaster. This enabled SLORC to resort to a violent suppression of the people and avoid negotiating with the democratic forces.

A situation not unlike the one in 1988 has arisen again today. Even though it has succeeded in attracting short-term, fast money-making investors to Burma, SLORC has failed to lure long-term investments in the manufacturing sector. The present pattern of foreign investments in Burma are all aimed at making quick returns. Major investors lack the confidence to start labor-intensive and long-term investment in the manufacturing sector because infrastructures in the transport, communications and energy industries are still very poor, the value of kyat against foreign currencies remains unrealistic, business rules and regulations are inconsistent, and corruption and nepotism remain widespread within the military bureaucratic machinery.

SLORC needs massive loans from the World Bank and the other institutions if it is to bring on infrastructural development and devalue the Burmese currency without adverse consequences. The World Bank suspended loans to Burma in 1988 due to the outcry from the international community that had witnessed the brutal and bloody suppression of the democracy movement by the Burmese Army.

SLORC faces an uphill task in trying to build a durable power base. It expects to achieve that goal through tough political control and brutal suppression of dissent and by consolidating a financial base through foreign investment, international economic and development assistance, and financial aid.

SLORC has frequently pointed to its "economic reforms" as an indicator that it is moving toward a free market economy and that the World Bank should take that as a cue to extend it loans. The following facts, however, should be taken into serious consideration if Burma is to become a recipient of World Bank assistance:

No structural changes have been made in the economy permitting it to develop into a true market economy. Budget disparity remains uncorrected, with the bulk of the budget going to defense expenditures. Political reforms essential for long-term sustainable economic development have yet to be undertaken. Labour practices under SLORC grossly violate internationally recognized labor conventions. Restrictions imposed on academic freedom and the suppression of intellectuals have resulted in the decline of human resources.

Resuming loans to SLORC under these conditions will be premature as it will only strengthen the power base of the Burmese military and will not contribute to long-term sustainable development that benefits the people.

Structural Changes to Develop a True Market Economy

SLORC claims that the country is being developed through a market-oriented economic policy. The fact, however, is that the country is only partially opened to foreign investors to operate mostly in the form of joint ventures with the State [military]. Most state-owned enterprises and co-operatives that existed under the previous Burma Socialist Program government remain under the control of SLORC today.

SLORC's claim of privatization means the transferring of a few factories to ex-military officers and their relatives. There has not been any real attempt to privatize key enterprises, develop private entrepreneurs or to undertake economic liberalization. The state sector today retains direct control over the export of 23 important commodities, including rice, still the country's major earner of foreign exchange. SLORC intends to revive a military command economy behind the facade of an "open-door" economic policy. One glaring example of this is the Myanmar Economic Holdings Company Limited established by the Defense Ministry. This enterprise is involved in all major business contracts and deals.

Another underlying problem associated with investment in Burma is the repatriation of profit earned in Burmese kyat. Because of strict controls by the SLORC's Foreign Exchange Bank, foreign investors are forced to comply with a bartering system. They are made to buy local products and export them as a means of channeling their profits out of Burma. Given the situation, business deals in Burma have unnecessarily become complicated and risky.

In addition, under the new Private Investment Law, only a few selected private companies associated with the military can function and are making profit. Entrepreneurs "without connection" have to go through corrupt officials at different levels and bureaucratic red tape before anything can get done.

Budget Disparity

SLORC has only concentrated on building up the military and modernizing its weaponry. In seven years of SLORC rule, the army has grown from 180,000 in 1988 to 350,000 today. US$1.4 billion worth of fighter jets, tanks, patrol boats, anti-aircraft missiles, artillery pieces and other arms and ammunitions were purchased from China. Naval bases and radar stations are being constructed on Coco Island and Zadetgyi Island while M21 and M22 machine-gun factories are being constructed in upper Burma with China's assistance. According to a UNICEF report in 1994, SLORC's defense budget increased from 22% of total expenditure in 1980, to 39% in 1993. In the same period, the health sector budget increased from 2% to 3% while the budget allocated for education fell from 2% to 1%.

Furthermore the regime has stated its intention to increase the size of the armed forces to 500,000 in the near future, with continued upgrading of technical equipment. The cost of this expansion will be enormous relative to the meager resources of the economy. This is the over-riding reason for their desperate attempts to obtain World Bank assistance and the foreign private investment that they will expect as a consequence.

Many social problems have arisen because of that situation. The malnutrition rate has soared in the country, with many cases being detected even in the capital, Rangoon. Yet no effort has been made until today to correct the problem.

Hospitals only have medical staff and nothing else much. Due to shortage of medical supplies, patients being hospitalized are asked to bring in bandages, medicines and whatever they might need during their treatment.

Children with preventable diseases are dying because of the lack of effective primary health care programs. Child and maternal mortality rates are increasing.

In the education sector, the drop-out rate at schools from primary level up is on the rise. Young children and students cannot finish their education because they are compelled to go out and work to supplement the family income.

The educational standard has declined as experienced teachers leave the academic life for jobs that would help them cope with increasing expenses.

Other alarming problems that remain neglected by the SLORC are drug addiction, AIDS, refugees, war victims and environmental destruction.

Political Reforms

In his report, "An Agenda for Development," the UN Secretary- General stated that "Democracy and development are linked in fundamental ways. They are linked because democracy provides the only long-term basis for managing competing ethnic, religious, and cultural interests in a way that minimizes the risk of violent internal conflict. They are linked because democracy is inherently attached to the question of governance, which has an impact on all aspects of development efforts."

Democracy as good governance needs to be restored if long-term economic development is to be sustained in Burma, and the opportunity is available to SLORC if it has the interests of the country at heart. Democratic forces led by Daw Aung San Suu Kyi as well as ethnic leaders have offered to work for national reconciliation and the early restoration of democracy through political dialogue. International opinion also supports political dialogue as reflected in resolutions adopted by consensus at the UN General Assembly.

SLORC has so far not shown any willingness to comply with international and internal public opinion. It is bent on legitimizing the leadership role of the military in the country's future political life through its sham national convention.

Without democratic reforms, economic progress will ultimately achieve nothing more than disembodied growth, a source of greater inequity and eventually, social unrest. The widening gap between haves and have-nots under SLORC's rule is leading to social chaos and total devastation of the country.

Labor Practices Violate International Labor Conventions

A creative and energetic labor force is another vital requisite for economic development, and hence, conditions conducive to the emergence of that labor force must be created. Workers must be able enjoy trade union rights and labor practices that conform to internationally recognized labor conventions will have to be developed.

The labor situation in Burma has worsened as SLORC has resorted to the use of forced labor in the implementation of infrastructure development projects. The practice directly violates ILO [International Labor Organization] Convention 29 on forced labor.

At the ILO Conference in July, 1995, the ILO Committee of Experts urged SLORC to urgently repeal the offensive legal provisions under the Village Act and Township Act and to bring them into line with the letter and spirit of Convention No. 29; to terminate forced labor practices on the ground, to provide for and exemplary penalties against those extracting forced labor.

It also called on SLORC to adopt measures to guarantee that in law and in practice, workers and employers have the right to join organizations of their own choice and without previous authorization outside the existing structure, and that such organizations have the right to join federations and confederations and to affiliate without impediment. So far, SLORC has not made any effort to reform labor laws and practices.

Human Resource Development

The development of human resources is vital if a skilled labor force is to emerge in Burma. SLORC cares little about this and often acts against the development of human resources to protect its political power.

Whenever a political movement led by students arises in university campuses, the military responds with brute force, killing, arresting and torturing members of the movement and closing down universities for an unlimited period.

After the 1988 massacre, thousands of students and intellectuals ended up in prisons or in exile. Thousands of students were dismissed from their institutes of learning while thousands of teaching staff were dismissed from their jobs for their involvement in the democracy movement. The 1988 incidents alone had seen a great loss of human resources that is bound to have an impact on the development of Burma in the future.

When universities were reopened in 1991, teachers and professors were made to wear military uniforms and to take refresher courses. SLORC policies and security measures and surveillance methods to control possible student activities were taught to the teachers. Universities in Burma today resemble concentration camps with military informers watching day to day activities.

Students' unions and educational workers' unions that re- emerged on the eve of the Democracy Summer of 1988 have been outlawed since the military coup of 1988.

Since 1988, there has been an exodus of qualified teachers, and the educational standard in universities has declined noticeably. The situation has been made worse by the establishment of new regional colleges and the introduction of a "long-distance learning system" for higher education designed to avoid the concentration of students in major cities.

The departure for foreign countries of other professionals, such as doctors, engineers and economists is also depleting human resources. Restrictions on the freedom of academic expression; freedom of association of professional organizations; and the lack of research facilities and seminars, exchange programs, further studies, and free access to information on advanced technology have also hindered the emergence of a new generation of intellectuals.

Conclusion

Without correcting the underlying socioeconomic and political problems that hamper greater popular participation in politics and development, any financial assistance that goes to SLORC today will go to waste as in the popular Burmese saying, "Thae dae yay thun" — Pouring water in the sand.

The objective of the SLORC regime is emphatically not economic development. They are not fools. They know that genuine economic development leading to a vibrant private sector and a growing middle class will undermine their monopoly of power which is based only on force. It is quite unlike the situation in Singapore or even Indonesia where civil servants and technocrats are able to freely use their expertise in the service of the country. The Burmese military lack the self-confidence to share power with any other groups, such as civil servants or entrepreneurs. The xenophobic and inward-looking "Burmese Way to Socialism" represents their true ideology. The talk of market- orientation and " open door " policies is merely a tactical ploy necessitated by the disastrous failure of their original program. It would be a tragedy if the international institutions and donor community fail to realize this. Their good intentions will only further pave the road to hell for the Burmese people.

Brunei, Malaysia & Singapore

Malaysia

Commentary Questions Japan's Stand on Trade

BK2010022095 Kuala Lumpur Voice of Malaysia in English 0810 GMT 19 Oct 95

[Station commentary]

[FBIS Transcribed Text] Malaysia is of the opinion that the East Asia Economic Caucus, EAEC, should be launched by a small group of countries including members of ASEAN, China, Japan and South Korea before it is expanded to include other nations in the region.

It has always maintained that the launching group should definitely be a small group that is in the heart of East Asia. After the launching, the caucus should build or be expanded just like any other groups such as the Asia Pacific Economic Cooperation, APEC. However, efforts to set up the caucus had been delayed since a few big powers, including the United States and Japan, are still not convinced that EAEC is a potential building bloc to multilaterlism and not become a trading bloc.

However, Malaysia is still of the opinion that Japan should be one of the launching member countries unless Japan does not believe she is a member of East Asia or Japan denounces East Asia, or Japan categorically states that she does not belong to East Asia. At the moment ASEAN is waiting for Japan to make up her mind whether she is or she is not in East Asia. But ASEAN would not lobby Japan to join EAEC and any decision to be made by the country should be voluntary in nature. It is not something that Malaysia or ASEAN wants to lobby people for. ASEAN does not mind waiting since other international groupings also faced by all sorts of problems before they were launched. European Union, for example, took quite some time to come into the (?real thing).

Japan had always been the stumbling block in the EAEC initiative. Initially, it said that it would accept the caucus if ASEAN agrees. However, now that ASEAN, including Vietnam, has agreed, it meaning Japan, brings the APEC in. This time around, Japan insisted that it would obtain the consensus of APEC members before deciding whether to join the EAEC. By right, all the East Asian communities and economies are basically essential components of East Asia. Hence as such, if the caucus that is East Asian in nature is to be formed, then all economies in the region should want to belong. However, those countries should determine for themselves whether it is important or not to them to be part of an East Asia caucus.

At the moment, ASEAN is letting Japan think about the possibility of joining the EAEC for a while. In actual fact, both Japan and South Korea are actually not free to decide for themselves in this matter. Another issue that had been brought up by Japan is the possibility of Australia and New Zealand joining the caucus. But ironically, Australia and New Zealand had not made any such requests so far. It is strange that others should ask for the two countries to be invited when they themselves rarely indicated that they wish to be invited. It is only others speaking on their behalf and Malaysia is not sure whether they have the mandate to speak on anybody's behalf.

Singapore

Article Views Spratlys Workshop Problems

BK1810093095 Singapore THE STRAITS TIMES in English 16 Oct 95 p 40

[Article by chief regional correspondent Lee Kim Chew: "Spratlys Workshops Risk Becoming a Case of Missed Opportunities"]

[FBIS Transcribed Text] To the uninitiated, Indonesia's roving envoy for the Law of the Sea, Dr Hashim Jalal, attempts the impossible.

The sceptics think he tries to move mountains with a crowbar from the workshops he conducts on the disputed Spratlys.

It is true that much of what happens in the Canadian-funded workshops to manage potential conflicts in the South China Sea tests the patience of any diplomat.

The six claimants — China, Taiwan, Vietnam, Malaysia, the Philippines, and Brunei argue endlessly to buttress their claims over the strategic and potentially oil-rich Spratlys.

"We must be very patient," Dr Jalal counselled as he tried to bring them closer to resolve their territorial disputes.

Indonesia's Foreign Minister Ali Alatas thinks that the political conditions are propitious for the claimants to undertake joint projects in the South China Sea. "The only question now is whether we have the political will," he said.

Alas, this was distinctly lacking in the latest workshop in Balikpapan which ended last Thursday, the sixth since the series began in 1990.

For China, the most powerful Spratlys claimant, it is a sideshow. The Chinese prefer bilateral negotiations with the other claimants.

Even though they have agreed to talk to Asean as a group, which now includes their main rival Vietnam, the Chinese give nothing away.

As the chief Chinese delegate, Professor Xu Guangjian, put it, the workshops were a good place to exchange views and explore areas for cooperation in non-contentious subjects such as meteorology and safety of navigation.

But they were not competent to deal with the core questions of jurisdiction and sovereignty in the Spratlys disputes, he said.

The Chinese are not alone in wanting to limit the scope and authority of Indonesia's role as honest broker. In varying degrees, the other claimants act in the same way, for fear that the workshops might limit their freedom of action or compromise their claims.

Prof Xu told the workshop in Balikpapan that China's position in the South China Sea was clear and consistent. It stood for "the settlement of disputes by peaceful means through bilateral negotiations," he said, citing China's talks with the Philippines and Vietnam as examples.

Thus, he argued, the territorial disputes in the Spratlys should be taken off the workshop agenda.

Ditto for confidence-building measures to promote more transparency and reduce tension in the contested areas.

These matters were in the domain of governments, not informal workshops, he asserted.

Now this is a disingenuous argument.

In what promised to be a ground-breaking move, China went along with the other members of the Asean Regional Forum (ARF) last August to endorse a list of confidence-building measures to promote peace in the region.

China's line in Balikpapan that the participants ought not pursue this subject because their workshops are informal thus sounds hollow. Chinese credibility suffers when it insists on form and ignores substancewhere it really matters.

Sadly, the Spratlys workshops could end up as a story of missed opportunities.

As the powerful claimant, China could set the pace and give the workshops new bearings in the light of the ARF goals to prote confidence and reduce mistrust among countries in the region.

Its obduracy reduces the opportunities to bolsterthe peace in the South China Sea.

But all is not lost yet.

China's reluctance to get engaged may not augur well for the future of the workshops, but Dr Jalal remains undaunted. For him, the smallest movement forward is still progress.

He has been given authority by the participants to seek funds from donor countries for a joint project to study diversity in the South China Sea.

It remains to be seen how many of the claimants will take part in the enterprise next year.

This will be a show of commitment in the workshops something which was not evident among the participants in Balikpapan.

Still, the very act of getting rival claimants together is a feat in itself. Consider the other difficulties Dr Jalal faces. First, the China-Taiwan issue. Taiwan, by any other name spells trouble, and the Spratlys workshops have had a fair share of it over the years.

The opening session of the Balikpapan workshop was bugged by wrangling over how Taiwan should be called. For Beijing, it was Chinese Taipei or Taiwan, China. For the Taiwanese, it was nothing less than the Republic of China.

A hornets' nest was stirred each time the issue cropped up in the workshops. Nothing that Taiwan does should promote its claims to independence, and Beijing has made it plain that this issue is nonnegotiable.

China had blocked Taiwan's offer to host some technical meetings of the workshops in the past, and it continues to do so.

Next, the footdragging.

Taiwan declared it was not ready to take part in the biodiversity project, despite an earlier commitment to do so.

There is no certainty that Beijing will take part either when Dr Jalal gets the money to finance the project.

The Chinese are extremely wary about any move that may "internationalise" the Spratlys dispute, and they suspect that donor countries such as the United States, Australia and Japan, have a hidden agenda.

Prof Ian Townsend-Gault of the University of British Columbia in Vancouver, a resource person for the workshops, tried to convince the doubters.

He told the participants in Balikpapan: "This is an informed workshop whose activities won't compromise the positions of governments involved in the Spratlys disputes.

"If the workshop agrees on some proposals for cooperation, all the parties gain. If they don't, no one gets hurt. It's a no risk situation."

But the key claimants were apparently not persuaded.

Then there is passivity of another kind. The Malaysians have steadfastly refused, despite repeated requests from Indonesia, to host any of the technical meetings.

Whether it is China or Malaysia, the reluctance to get engaged beyond the workshop level demonstrates the limits of Indonesian diplomacy in drawing the Spratlys claimants together.

Despite Dr Jalal's efforts and Vietnamese enthusiasm to explore confidence-building measures, the workshop ran into a brickwall of Chinese resistance to discuss the issue.

Prof Townsend-Gault told THE STRAITS TIMES: "The Chinese think we're moving too far too fast, but they are fighting a rearguard action.

"They cannot prevent discussions on confidence-building measures and they have not tried to."

But the fact is that the Chinese are not touching the subject, and this will limit the effectiveness of the workshops.

Dr Jalal plods on valiantly despite the constraints. Much as the Indonesians want to, the Spratlys claimants resist any attempt to formalise the workshop or elevate its status.

Thus, the secretariat which Dr Jalal needs sorely will not be set up, and he remains hamstrung by the lack of proper administrative support to carry out workshop activities.

He tried to sound upbeat when he told reporters at the end of the Balikpapan meeting: "There are difficulties but the spirit is good."

As long as the key players notably the Chinese, think that it is good politics to participate, the Spratlys workshops have a decent chance of bridging the differences among the claimants.

It is too much to expect anything dramatic at this stage, but Dr Jalal believes in working for miracles.

Australia's Integration With Asia Discussed

BK1910035695 Singapore BUSINESS TIMES in English 19 Oct 95

[Editorial: "Playing Politics With Asia" — received via Internet]

[FBIS Transcribed Text] Welcome though it is in essence, Australian Prime Minister Paul Keating's ringing affirmation of his country's manifest destiny, at the anniversary dinner of the Australian Chinese Forum of New South Wales, only served to highlight the fact that an Asian future is still not a settled fact. True, it makes eminent good sense in terms of economics, politics and security. But there is also a powerful cultural and historical dimension to statecraft; and in speaking so robustly of coming to terms with geography, Mr Keating was addressing some of the doubts and questions from which even his own beleaguered Labour government may not be entirely free. His nevertheless spirited defence was partly influenced by the occasion and the audience. Partly, too, he was trying to upstage Opposition leader John Howard, whose political star seems to be in the ascendant, and whom he accuses of "a continuing ambivalence about Australia in the region."

It would be unfair, however, to attribute Mr Keating's advocacy only to such ephemeral. His speech was weighted with solid evidence of the benefits that would accrue to Australia from integration with Asia. But logic does not automatically forge a national consensus. Nor is the case for closer ties with Asia strengthened by being converted into an issue of domestic politics. This is not a new phenomenon. Just as Mr Keating casts doubt on Mr Howard's commitment, his own views on Asia were presented in a singularly unflattering light by his predecessor, Bob Hawke. If both the prime minister and the leader of the Opposition have a past to live down, it is precisely because Asia is still, to some extent, a football in Australian politics. No clear opinion has emerged as yet on the nature and extent of Asianisation. Or, indeed, on whether strong economic, political and strategic ties also call for a transformation of society at home if Australia is not to be Europe adrift in Asia. Moreover, this week's 20th anniversary of the death of five Australian journalists in East Timor warned that unexorcised ghosts might still haunt future ties with Australia's Asian neighbours.

Mr Keating has compounded the controversy by making the Asian connection synonymous with the appointment of an Australian head of state. The choice of form of government is relevant in this context not because a republic would facilitate Asianisation, but because it might not enjoy universal endorsement in Australia. The forced linkage between these two separate issues can hold up the evolution of a regional personality. After all, Canada's integration with the North American political and economic system is not weakened by its ceremonial tiss with the British Crown. However, Australians can be relied on to look beyond the exigencies of party politics to take a mature view of the alternatives that face them. They have done so before. During World War II, Prime Minister John Curtin turned his back on

Britain and looked to the United States for succour. Now that national survival calls for an equally portentous change of direction, Australians should be able to exercise their will with the same clarity and long-term vision that inspired Curtin's historic move when invasion was an hourly fear.

Cambodia

King Sihanouk Alarmed by Deforestation

BK1910051195 Hong Kong AFP in English 0500 GMT 19 Oct 95

[FBIS Transcribed Text] Beijing, Oct 19 (AFP) — King Norodom Sihanouk issued a cry of alarm Thursday at the rate of rampant deforestation in Cambodia and called on all foreign companies to plant three trees for every one felled.

In a letter to the press issued from his home here, the king said the consequences of deforestation were "tragic and even fatal for Cambodia in the long term."

"Since the 1980s until now some foreign countries and companies, as well as illegal groups and individuals, have destroyed or are destroying Cambodia's forests, so vital for agriculture and the survival of the Cambodian people," he said.

King Sihanouk said there had been a marked increase in deforestation this year and if this did not stop Cambodia would become a desert country in the 21st century with the Tonle Sap lake, according to the experts, becoming no more than a vast mudflat.

He urged foreign countries and companies exploiting Cambodia's forests to plant at least three trees for every one cut down. King Sihanouk, 72, is undergoing medical treatment in Beijing following a cataract operation. He is expected to return to Phnom Penh next week.

CNUP Chairman Explains Party's 'Objective'

BK2010131095 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 18 Oct 95

[Interview with Khieu Samphan, chairman of the Cambodian National Union Party, by an unidentified correspondent on 18 October; place not given —recorded]

[FBIS Translated Text] [Correspondent] My respects to Your Excellency, the party chairman. The Provisional Government of National Union and National Salvation [PGNUNS] radio has received many letters from our compatriots asking Your Excellency to explain the objective of the Cambodian National Union Party [CNUP].

[Khieu] OK. The objective, or the ideal, of the CNUP is clearly defined in the political platform, in the CNUP's statutes. Its objective is to rally all forces of Cambodia's great national union, regardless of their political colors in order to:

1. Wage a struggle aimed at terminating communist Vietnam's war of aggression and achieving national reconciliation within the framework of an independent, sovereign, unified, peaceful, and neutral Cambodia, with its territorial integrity intact.

2. Defend and build the country, bringing about prosperity and glory and enabling our people from all social strata to enjoy a proper, comfortable living in all fields and sectors.

This is the CNUP's sacred objective. It also responds to the profound aspirations of our entire nation and people. The CNUP firmly adheres to this objective. It resolutely and tenaciously strives to reach this objective.

[Correspondent] What concrete actions has the CNUP taken in this regard?

[Khieu] Our nation and people have a clear knowledge of this. The CNUP's political platform and statutes are not demagoguery, deceit, or cheating. Allow me to cite a few examples.

1. When communist Vietnam sent hundreds of thousands of troops to invade Cambodia in 1979 with the participation of the former Soviet Union and Warsaw Pact, we held high the banner of great national union, regarding this ideal of great national union as our leading spirit, and successively joined other national resistance forces in waging a resolute, tenacious, and unretreating struggle, thus causing communist Vietnam to suffer one strategic defeat after another until it was compelled to accept the Paris accords of October 1991. These October 1991 accords constitute a great victory for the struggle of our entire nation and people.

2. As everyone knows well, the Paris accords contain two important points, which are: 1. to verify the withdrawal of all types of aggressor Vietnamese forces from Cambodia; and 2. to achieve quadripartite national reconciliation in the form of a Supreme National Council [SNC] headed by then Samdech Norodom Sihanouk. Only by implementing these two points can Cambodia have independence, sovereignty, unity, peace, and neutrality with all its territorial integrity intact and can there be national reconciliation, national concord, and national union.

Our entire nation and people are well aware of how arduously and tenaciously we have struggled and fought on the battlefields and at the negotiating tables in order to realize these two important points.

3. Our nation and people know very well how we braved dangers by going to Phnom Penh and how hard we worked in the SNC with UNTAC [UN Transitional Authority in Cambodia] and the representatives of the five great powers to implement correctly the Paris accords—and particularly these two important points—after the accords were signed in Paris.

4. However, UNTAC and the alliance, together with communist Vietnam, trampled on the Paris accords. They refused to verify the withdrawal of the aggressor Vietnamese forces from Cambodia. They instead: maintained the communist Vietnamese forces in Cambodia; supported the puppet regime installed by communist Vietnam since 1979; deprived the quadripartite SNC of all roles; destroyed the SNC; undermined national reconciliation; organized fraudulent elections under the dictatorial and fascist regime of the communist Vietnamese puppets; prematurely conceived the two heads; and used the two heads as a tool to continue fueling the communist Vietnamese war against our nation and people. Our nation and people know very well how tenaciously we have fought.

Citing these historic evidences alone suffices to clearly demonstrate that the CNUP and PGNUNS very firmly adhere to their political objective, which is: to always hold high the banner of great national union; strive to terminate communist Vietnam's war of aggression; achieve national reconciliation and national concord within the framework of an independent, sovereign, unified, peaceful, and neutral Cambodia with its territorial integrity intact.

The CNUP is determined to do everything for the success of Cambodia's great national union and not for power through combat, division, rifts, or killings.

Indonesia

Daily Expects 'More Vocal' Nonaligned Movement

BK1910135195 Jakarta MERDEKA in Indonesian 19 Oct 95 p 6

[Editorial: "The Nonaligned Movement Will Be More Vocal"]

[FBIS Translated Text] Indeed, Indonesia's achievements as leader of the Nonaligned Movement [NAM] cannot be ignored. Under President Suharto's leadership, NAM made some progress and earned fame and respect. Perhaps, this is why Colombia as NAM chairman for the 1995-98 term will continue with the cooperative attitude.

The world is changing rapidly, while the socioeconomic gap between rich and poor nations is widening. Accordingly, we understand the new definition "nonaligned" proposed by the Colombian foreign minister. The term "nonaligned" will be redefined as "impartial" in combatting and eradicating such problems as poverty, social injustice, the unfair and unequal international system, trade protectionism, and limited access to science and technology.

That still seems inadequate. Colombian Foreign Minister Garcia Pena included practices that violate international law, the use of armed force to settle conflicts, international disputes, the undemocratic United Nations, unilateral attitude on the environment issue, and drug trafficking in the draft agenda of the summit.

Will the decisions of the Intra-Latin American dialogue that preceded the 11th NAM Summit in Cartagena be included in the summit agenda? The possibility cannot be ruled out. A trade embargo against Cuba plus the "arbitrary" attitude of the United States toward small nations seem to be a thorny issue for Latin American nations. Accordingly, Garcia Pena pledged to enable NAM to become more dynamic and take concrete measures under the "new definition."

Of course, we could anticipate the cynical reactions of the Western press to what would come out of Cartagena. They will become more cynical if Malaysia's proposal for restructuring the United Nations, which has been considered "powerless and partial," is accepted. The Western press will almost certainly ridicule the Cartagena decisions as merely rhetoric and a "glowing" spirit that reflects Latin America's fleeting enthusiasm.

Whatever the reactions of the developed nations' press may be, NAM ought to revitalize its spirit. There will be no dynamism if the spirit is not revitalized, and everything will be stagnant if there is no dyanamism. Stagnancy is synonymous with death. This is what developed nations with "vested" [preceding word in English] interests want to happen. They want to reverse the clock of history. If history is set back [preceding two words in English], the world will revert to colonialism and imperialism. Industrialized nations with advanced science and technology will then have the widest possible opportunity to reap profits from developing nations and arbitrarily treat their former colonies as dairy cows for their own economies.

Malaysian Foreign Minister Abdullah Badawi's proposal on veto rights of a number of developed nations in the United Nations is the most concrete prerequisite. Veto rights are the most striking symbol of injustice in the present century, and will remain so in the centuries to come. The position of developing nations before international law and in the international political constellation has been harmed by veto rights, which are in fact a privilege of imperialists. A louder voice will emerge from Cartagena, but the louder voice will be merely self-deafening if no concrete measures are implemented.

Editorial Views Tensions in South China Sea

BK2010075095 Jakarta MERDEKA in Indonesian 18 Oct 95 p 6

[Editorial: "Dialogue on the Spratlys Remains Inconclusive"]

[FBIS Translated Text] A local proverb states: Once a solid preliminary step is taken, the entire job can be considered as half completed. However, the 6th Workshop on Managing Potential Conflicts in the South China Sea did not show any sign that even one-fourth of the issue had been settled when it ended last Thursday. The workshop participants seemed to lack self-confidence, and were reluctant to agree on proposals, thus giving the impression that the dialogue was back at the initial stage.

Signs that efforts to settle the dispute on the Spratly Islands, claimed by ASEAN's five member countries and two neighboring countries, would reach a deadlock had been seen during the workshop in Bukittinggi last October.

Singapore's representative Lee Tai Lo from the Singapore Institute of Foreign Affairs Management made a controversial statement. On the one hand, Lee said that there were vast opportunities for countries not involved in the Spratly issue at all, to participate in the workshop. On the other hand, he said there was no agency or country that could be guaranteed future membership.

Recently, the Spratly issue showed signs of deteriorating when the Philippines and China were involved in a conflict over the "Mischief" Reef, situated among the islets and coral reefs of the Spratlys. President Ramos had ordered the Philippine Navy to step up its military strength on the coral reef. Fortunately the Chinese had refrained from launching a counterattack.

There was great potential for tension between the Philippines and China so much so that ASEAN member countries were worried. The tension between the two countries was reduced after the Philippine Government ordered the release of the Chinese fishermen from the Mischief Reef. Prior to that the fishermen were assaulted and tried according to legal procedures. Yet, all this does not totally mean that the Spratly issue was getting near a bright point.

The Spratly issue continues to remain a thorn in the side of countries involved in the overlapping claim dispute, and the issue became even more complicated when Taiwan tried to lay its claim as well. Fortunately, there is a non-claimant country that is willing to act as "mediator" [preceding word in English] — Indonesia. Perhaps for this reason Foreign Minister Ali Alatas could take steps to launch proposals to solve the problem. However, Alatas' proposals would be useless if no one responded to them.

In an effort to solve the problem, Alatas seemed to opt for a roundabout way. First, he tackled the "cases" that would draw all countries involved in the dispute to a point of convergence. The issues on sea traffic security, monitoring of the weather and tide levels in the South China Sea, and those that are not related to politics and military are such examples.

This is a method included in confidence-building measures. If it fails to hit the target, it can be withdrawn or can take a backward step by holding workshops to discuss the socio-history of the South China Sea. The recent 6th workshop in Balikpapan had clearly outlined several cooperation projects.

It seems that the workshop participants have adopted the attitude of "better late and be safe." This attitude should be lauded since the Spratly issue is a dynamite fuse in Southeast Asia that is ready to explode at any minute.

Thailand

Banhan: Evidence Against Drug Suspects Unclear

BK2010094795 Bangkok Radio Thailand Network in Thai 0000 GMT 20 Oct 95

[FBIS Translated Text] Prime Minister Banhan Sinlapacha granted an interview to reporters at the Bangkok International Airport yesterday evening before departing to participate in the celebration of the 50th founding anniversary of the United Nations in the United States.

Regarding the case of Colonel Thanat Khoman, the chairman of the public hearing committee, the prime minister said he may explain to the United Nations the issue of Thais being accused of narcotics trafficking. The prime minister said his and Thanat's roles during their visits to the U.S. are different. The prime minister will participate in celebrating the 50th U.N. anniversary, while Thanat is advisor to the Thai delegation attending the UN General Assembly.

Asked about the impact or the image of Thai people if the issue is raised, the prime minister said there should be no problem and he believes that Thanat would not do anything to cause trouble. However, on the image of Thai people, the prime minister said one must not only focus on politicians but should look at the overall picture of Thais nationwide. Currently, criticisms have only been centered on individuals with problems, though the accusations against them still lack clear evidence.

Regarding the country's image, the prime minister believes that at the ASEAN level, Thailand is a country with potential and his trip to the United Nations is to show that Thailand still supports the organization. In addition, he thinks his participation at the 50th U.N. anniversary will contribute to peace and solidarity.

Report Views Plan To Study Treaty With U.S.

BK1910111595 Bangkok THAILAND TIMES in English 19 Oct 95 p A 1

[Report by P. Phongphiphatpun and S. Samakrattakit]

[FBIS Transcribed Text] Bangkok — Finance Minister Surakiat Sathianthai has instructed a high-level committee to study an amendment to the long-established Thai-US Treaty of Amity, a source close to the minister said yesterday.

The committee will be comprised of representatives from the Finance and Commerce Ministries and the Office of the Juridical Council.

The Permanent Secretary for Finance, Mr Chatumongkhon Sonakun, is expected to head the panel.

Surakiat last week made a proposal to Senator Pritz Hollings in Washington, where he attended a meeting of the International Bank for Reconstruction and Development and International Monetary Fund (IBRD/IMF), that the 27 year-old pact should be amended to keep pace with the rapidly changing global economy.

The finance minister also proposed that both sides consider creating an entirely new treaty to replace the existing one.

"The Fiscal Policy Office is preparing for the finance minister to propose to the Cabinet that the committee is established," said the source.

The committee will study ways to amend provisions in the agreement concerning bilateral trade, finance, investment, insurance business, and taxation.

"Negotiations with the United States will start once the Thai Government reaches a conclusion," the source said, and added that the talks will probably be held in January at the latest.

The source added that previous negotiations on amendments were unsuccessful because U.S. officials were afraid that U.S. senators would not endorse the changes.

"It's necessary for Thailand to lobby the senators, particularly those who oppose changes," he said.

A committee with a similar task was established a few years ago by the Chuan Likphai government. The committee, which was comprised only of Finance Ministry officials, had a smaller role than the proposed committee, as it considered only matters relating to the Finance Ministry.

Surakiat, a leading Thai expert on international law, said yesterday he is ready to spearhead negotiations with the United States.

Chatumongkhon said he fully agreed with the finance minister on the necessity of modifying the bilateral agreement as business transactions between the two countries have been obstructed by some U.S. laws.

Foreign Minister Kasemsamoson Kasemsi yesterday cautiously responded to the proposal.

Kasemsamoson yesterday said the bilateral agreement, which is mainly concerned with economic issues, needed no alteration for the time being.

"The treaty itself is concise and is a main principle for relations between the two country," he said.

Kasemsamoson said amendments to the treaty could be inappropriate under the framework of the General Agreement on Trade and Tariffs (GATT) and the World Trade Agreement [as published] (WTO) under which both Thailand and the United States are signatories.

Pracha Khunakasem, former permanent-secretary for foreign affairs, said any amendments to the agreement should be carried out with careful consideration as this is a crucial matter.

"The agreement, which has been in force for quite a long time, could be amended. But we should carefully consider whether we will stand to gain or lose after the changes," the Phalang Tham Party MP for Bangkok said.

Prime Minister Leaves for UN Meeting

BK2010120295 Bangkok BANGKOK POST in English 20 Oct 95 p 1

[Unattributed report]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha left for an eight-day visit to America last night for the United Nations General Assembly meet marking its 50th anniversary.

Mr. Banhan was accompanied by 40 people, including his wife Khunying Chaemsai, daughter Kanchana, Foreign Minister Kasemsamoson Kasemsi and Finance Minister Surakiat Sathianthai.

The Premier will join an assembly meeting on October 22 and 23 before delivering a five-minute speech the next day.

He will meet other national leaders at the meeting and will take time off for a Thot Kathin ceremony [ceremony of presenting yellow robes to Buddhist monks at end of Buddhist Lent] at Wat Wachiratham Prathip, on Long Island.

Paper Supports Probe Panel Chief's Role at UN

BK1910133895 Bangkok SIAM RAT in Thai 19 Oct 95 p 4

[Editorial: "For the Sake of Prestige in the World Community"]

[FBIS Translated Text] After the Banhan Sinlapa-acha administration appointed Colonel Thanat Khoman, several-time former foreign affairs minister, as chairman of the public hearing committee, there have been both positive and negative comments on the appointment. Some say the appointment is intended to help Chat Thai Party's politicians, who were denied entry visas to the United States for alleged involvement in narcotics trafficking.

Whatever, Col Thanat, as chairman of the said committee, has approached his task energetically from the beginning. Moreover, he lately declared that he will attend the upcoming United Nations General Assembly, which marks its 50th founding anniversary, on 24 October in the United States, and on that occasion he will inform the world community that the United States has bullied Thai politicians with groundless accusations of involvement in narcotics trading.

In addition, Thanat claimed several parties are trying to distort the situation, and have launched verbal attacks against him and the public hearing committee, despite the fact that he has never asked for anything, whether material gains, honor, or reputation. He branded those who have attacked him as "polluted" politicians without intellect. He said these persons are trying to imply that the committee is set up to help only a few politicians involved in narcotics. He therefore denies this charge. He said that as long as he can breathe, he will never become anyone's tool.

Further, he said that the United States, the accuser of Thai politicians, has failed to submit written evidence to the Thai foreign minister but has only made unsubstantiated verbal statements. Such action can only be described as an act of interference in our political affairs, despite the fact that we have been good friends. They should have not done this to us. In doing this, we can say they are insulting us.

Therefore, by travelling to the United States on 21 October to participate in the celebration of the 50th anniversary of the United Nations, he intends to declare to the world community that Thais are being bullied by the United States by making accusations against Thai politicians without evidence but only with unsubstantiated verbal statements.

This is the active and determined goal in handling the assignment by Col Thanat, who is well known internationally, and who had cooperated considerably with the United States in the past. His trip to participate in the 50th founding anniversary of the United Nations should therefore significantly lessen suspicions about U.S. accusations against Thai people and politicians. Although this may make the United States lose face to a certain extent it is its own fault. It is our duty to clarify this matter before the world.

We are confident that with his capability and determination Col Thanat will succeed in carrying out this task for the country and the people of Thailand. We wish him success. Otherwise, we would only exist in the world community without equal dignity with other countries.

Editorial Questions Thanat's 'Accusations'

BK1910094495 Bangkok BANGKOK POST in English 19 Oct 95 p

[Editorial: "Thanat Should Consider His Accusations More Carefully"]

[FBIS Transcribed Text] When the Commission of Inquiry headed by former foreign minister Thanat Khoman meets behind closed doors tomorrow to consider the complaints by two Chat Thai Party executive members, Narong Wongwan and Watthana Atsawahem, against US allegations of their involvement in drug trafficking, two commission members will be absent.

Former Supreme Court president Banyat Suchiwa has already quit. In his letter addressed to Prime Minister Banhan Sinlapa-acha, he explained that his role in the commission could affect his responsibility as a member of the Judicial Commission. Privately however, Mr Banyat is concerned with the neutrality of the Inquiry Commission and the suspected political motives behind the whole idea.

Although he has not yet resigned from the commission, Gen Chawalit Yotmani, secretary-general of the Office of the Narcotics Control Board, has let it be known that he feels uneasy about sitting on the panel. Gen Chawalit has made it clear he would leave the commission should it become clear that it is politically motivated. The police general, who has spent most of his life fighting drug trafficking, will also be absent during tomorrow's meeting as he will be away on a visit to Vietnam.

Does the fact that Mr Banyat has decided to detach himself from the commission make him a weak-kneed person who bows easily to political and foreign pressure? Or is Gen Chawalit a person who does not have the guts to stand up against foreign interference? Their colleagues and associates will be able to testify on their behalf. Moreover, their past records stand as testimony of their integrity and honesty. Yet, these are the men of decency and fair-mindedness who would not publicly claim themselves to be more courageous or patriotic than their fellow countrymen.

Dr Thanat may find the task entrusted to him by the prime minister to be a noble and just cause which he is determined to pursue to the end. While his zealous determination is to be commended, his emotional outbursts against critics who have cast doubt on his commission or those who disagree with him, ate simply unacceptable and unjustified.

There are certainly many people in this country who are just as patriotic as Dr Thanat. A person does not have to be a former minister or a senior civil servant to be more patriotic than the ordinary man in the street. These people have shown sufficient sensibility and modesty to keep their patriotism in their hearts. Decency dictates that they need not have to scream to the world to show how patriotic they are. Sensibility also dictates that expressing hatred towards the United States or towards their own countrymen merely because they harbour differing views is by no means a show of patriotism, but a manifestation of narrow-minded jingoism.

There is no doubt that Dr Thanat has contributed tremendously to this country throughout his long career in government service and even after his retirement. His resourcefulness in foreign affairs has benefited the country. But his past contributions do not give him the right to act as judge and jury over anyone else's patriotism. Nor does it give him the right to brand anyone as a traitor or foreign stooge.

The former foreign minister has served under several dictatorial regimes from the late Field Marshal Sarit Thanarat to Field Marshal Thanom Kittikhachon during the Cold War years and, therefore, may find criticism which is prevalent under the present democratic atmosphere intolerable thus his open outbursts in retaliation against his critics.

The jingoistic overtones in his rhetoric against the United States and his Thai critics provide a grim reminder of the fateful years between 1976-78 under an extremist government of the far right when anyone who entertained political ideas differing from those of the government were summarily branded communists or traitors. The result was that many Thais took to the jungle and the country was torn by a political divide and hatred on an unprecedented scale.

The Inquiry Commission may render a useful public service if it concentrates on its undertaking to search for the truth about the US allegations in an impartial manner. Unfortunately however, the commission's chairman appears to be bent on berating the United States and accusing critics and doubters of the commission of being treacherous, treasonous or unpatriotic. Could it be that by the time the-commission concludes its findings, the country will be flooded with alleged traitors, leaving behind just a few self-proclaimed patriots?

Vietnam

Reports View National Assembly Proceedings

BK1910104995 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 18 Oct 95

[Report by station correspondent Quang Huong on the Vietnamese National Assembly's debate on 1995-96 socioeconomic tasks on 18 October]

[FBIS Translated Excerpt] Dear friends, National Assembly deputies attended the plenary session at the conference hall yesterday [18 October] to discuss implementation of the 1995 socioeconomic tasks and to debate the orientations and tasks for 1996. It was the third day of discussion on these issues.

All deputies expressed support for the government's report, which highly appraised the results of completing the 1995 socioeconomic tasks and established orientations and tasks for 1996. Many deputies focused their discussion on measures aimed at satisfactorily carrying out the key tasks for socioeconomic development in 1996, with emphasis on the state budget issue.

Some deputies held that the country could not balance the state budget during the 1994-95 period in accordance with the National Assembly's resolution. As a result, the National Assembly should establish a revenue collection plan in 1996 to facilitate the formulation of measures to balance the state budget.

Deputy Vo Tong Xuan of Can Tho Province said that the National Assembly should quickly formulate the budget law. Deputy Vu Dinh Cu of Hanoi proposed measures to reduce expenditures in 1996, especially expenses for administrative and economic agencies and fees for rotation capital. He said that waste in capital construction projects was as high as 10-20 percent. As a result, he said it is essential to review the expenses of these projects while striving to maintain their quality. He called for efforts to overcome shortfalls in tax collection in the areas of joint ventures, export-import, industrial production, and business transactions. Regarding this issue, Deputy Dam Van Nghi of Cao Bang Province said:

[Begin Dam Van Nghi recording] Attention should be paid to the collection of export-import taxes at the border and coastal areas, especially at border passes in Cao Bang, Lang Son, and Quang Ninh Provinces. Trading is congested each day at the Cao Bang border pass, though it is small, while border passes in Lang Son and Quang Ninh cover a wide area that is difficult to control. As a result, if we have close coordination between customs officials, police, and other agencies concerned, we will be able to collect all of the taxes. [end recording]

Many other deputies proposed measures to strengthen control over budget allocation to the provinces. Some suggested that the National Assembly grant more authority to the provinces to manage their budget. Other deputies proposed independent budget management by the provinces for a three to five year period to help improve tax collection and save some expenses. Many deputies suggested measures aimed at promoting investment in production and in developing agriculture, forestry, industry, and afforestation. [passage omitted on Deputy Nguyen Thanh Cao of Kon Tum Province suggesting measures to step up afforestation in various areas]

Regarding agricultural production, Deputy Vo Hung Dung of An Giang Province said that Vietnam can produce more than 28 million tonnes of grain in 1995, with great contributions from provinces in the Mekong River Delta. He also suggested measures to develop agricultural production in the Mekong River provinces in the days ahead.

He said: [Begin Vo Hung Dung recording] Our country is a rice growing nation. Provinces in the Mekong River delta, the central area, and the Bac Bo region, however, experience natural calamity every year, especially floods and typhoons, which cause serious damage to rice and other crops. I propose that the government take steps to help these provinces to change their cultivation schedules to avoid flash floods, improve their crop patterns, promote animal husbandry, and map out measures to cope with typhoons and floods [words indistinct] [end recording]

Concerning industrial production, Deputy Vo Van Luong of Binh Dinh Province suggested measures to improve the quality of home-made industrial products and called for a ban on the import of obsolete equipment and machinery. [passage omitted including indistinct recording of Vo Van Luong's remarks on this issue]

Discussing cultural and social issues, Deputies Mua Thi My of Lai Chau Province and Lo Thi Luyen of Son La asserted that the party and government have paid attention to assisting mountainous provinces to improve socioeconomic tasks during the past years, including cultural, educational, and training work. Provinces in the Central Highlands, however, still face difficulties in these tasks. [passage omitted including indistinct recording of Lo Thi Luyen suggesting methods to improve education and training tasks]

Dear friends, to provide National Assembly deputies with more information for discussion on measures to implement the 1996 plans, National Assembly Chairman Nong Duc Manh, who chaired the session yesterday, asked State Planning Commission Chairman Do Quoc San and Finance Minister Ho Te to present plans on budget allocation, revenue collection, and balancing the budget. He also asked Minister of Education and Training Tran Hong Quan to present a report on education and training programs.

In yesterday's morning session, National Assembly deputies were delighted to welcome the Swedish parliamentary delegation led by its chairperson Mrs. Brigitta Dahl, who is currently on an official friendship visit to Vietnam. She delivered a speech at the National Assembly, stressing Vietnam-Swedish solidarity and friendship and the positive support by the Swedish parliament, government, and people to the Vietnamese people in their national defense and reconstruction. She also highly appraised achievements recorded by the Vietnamese people in the renovation undertaking.

The National Assembly continues its work today, 19 October, at the Ba Dinh Conference Hall in Hanoi.

19 Oct Proceedings Reported

BK1910145895 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 19 Oct 95

[FBIS Translated Text] Today, 19 October, is the 15th working day of the Ninth National Assembly's eighth session under the direction of National Assembly Vice Chairmen Nguyen Ha Phan and Phung Van Tuu.

In the morning and afternoon, the deputies met in the conference hall to debate on the two-year 1995-96 budget allocations and administrative reform. The National Assembly heard 16 views on solutions to the 1996 budget and on the assessment of the 1995 budget allocations and a number of issues relating to culture, education, public health, and the campaign against social vices.

Many deputies maintained that to increase the 1996 budget collections, the government must step up measures to save as much money as possible by limiting the construction of main offices, the purchase of cars and office equipment, and management and administration costs. Special efforts must be made to reduce the number of meetings of sectors and branches at the central and local levels. The government must give priority capital allotment to areas affected by natural disasters and to needy peasant households. Furthermore, it must set aside a considerable part of the budget to look after the livelihood of border and island defenders stationed in remote areas. To fight against the lost of revenues, the government must manage well capital construction funds and foreign investment capital and must reorganize the management of tax collection work at border checkpoints.

With regard to administrative reform, the deputies suggested many practical measures like effecting a reduction in the number of key agencies without taking on new staff or increasing wages, standardizing cadre selection criteria, reducing the number of key local agencies, and working out administrative procedures governing contacts with central agencies, especially when it comes to applying for quotas.

With regard to social issues, many deputies aired their views to condemn child sexual abuse and call for the standardization of appointment of judges, the training of physicians and medical doctors, and a review of the health insurance system and the safe water supply and rural electrification programs.

The National Assembly will continue to work tomorrow, 20 October, at the conference hall.

Reaction to Party Political Report Viewed

BK1910003895 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 15 Oct 95

[Report by Tran Thien Nhien on Vietnam Fatherland Front Central Committee's discussion of party Central Committee's draft political report to be presented at the Eighth National Party Congress — place and date not given]

[FBIS Translated Text] Members of the Vietnam Fatherland Front [VFF] Central Committee recently held five working sessions to hear Party General Secretary Do Muoi and comrade Dao Duy Tung, member of the party Central Committee Political Bureau introduce the contents of the draft political report of the party Central Committee that will be presented at the upcoming Eighth National Party Congress. They also studied various documents and presented ideas on the draft political report.

Many VFF Central Committee members welcomed and highly appraised the party campaign launched to solicit ideas from various echelons, sectors, mass organizations, and the people's strata for the draft political report. They viewed this lively political activity as a display of the people's role in politics, the party leadership, and their mastery.

The VFF Central Committee members spent time contributing ideas to part one of the draft political report which appraised the situation in Vietnam 10 years after of implementing the renovation.

On results in implementing resolutions of the Seventh National Party Congress, these members concurred with the observation in the draft political report that generally, despite shortcomings and weaknesses, great and significant achievements have been recorded in renovation in the past five years. Vietnam has not only survived the consequences of world upheavals, but has also surged forward to record remarkable progress in various areas. Tasks set forth by the Seventh National Party Congress have been basically fulfilled.

However, in its analysis, the draft political report only stressed the reasons for achievements while giving vague descriptions of shortcomings and weaknesses. Thus, no specific causes were given. For example, no causes of shortcomings and failures were discussed in detail, especially in economic management, in eliminating negativism and social injustice, and in resolving issues of cadre-related tasks and so forth. Therefore, we must strive to provide the full details on the shortcomings and failures of these tasks in a scientific manner, so as to find ways and means to overcome them.

On the socioeconomic crisis, many members said though we have overcome the economic crisis, we still face various social problems, especially in the areas of culture, education, public health, and social ethics. Some members hold that our economy has not stabilized as can be seen in the rapid price increases, the unbridled inflation, unemployment and so forth. As a result, we should only mention tasks that can be fulfilled by our current abilities. Other members agreed with the draft political report's emphasis that our country, after 10 years of renovation, has overcome the socioeconomic crisis; and that although some economic aspects have not been consolidated, we have shifted to the new stage of accelerating national industrialization and modernization. Nevertheless, we should not belittle these shortcomings.

Regarding the targets, many members held that we have for the first time now successfully formulated a general plan for national industrialization to shift our country from a backward agricultural nation to an industrial one. Thirty years is a long time and there will be many changes to the political situation at home and abroad. As a result, we must form a correct path and design concrete measures for every aim and at each stage. The draft political report's general views are solid since all issues have been raised. However, the readers could not distinguish the key issues requiring integrated efforts for resolution. Therefore, priority for resolving these key issues should be clearly specified to avoid confusion. This is also for everyone to see that in the years ahead our people must integrate their energies and efforts to resolutely resolve all issues so as to advance our country.

Regarding opportunities and challenges, the draft political report mentioned the four dangers raised by the mid-term national party conference that have been proven by the reality of daily life. However, the draft political report stressed only the danger of lagging behind economically and of peaceful evolution, while ignoring the other two dangers, namely the scourge of corruption and straying off the course of socialism. Everyone knows that the current corruption is a national disaster and an internal rebellion that will undermine our nation's security each passing day. If we do not have prompt, drastic, and effective measures to stop this danger, all our efforts in other areas will be useless. Some members candidly said that our party and state have spoken too much, but have done very little. If our government resolutely fought corruption as it did in banning firecrackers through decree no. 36-CP, they were certain that corruption would not be as bad today. Therefore, in analyzing the various dangers, it is essential to stress this issue.

The delegates contributed their views on other major issues such as the improvement of management of state and administrations at all levels; the role of the Fatherland Front and other mass organizations; equal treatment to all economic elements in the multi-sectorial economy; the role of scientists and businessmen in the new economic mechanism; the rich-poor gap and social justice; and so forth.

Most speakers referred to education and expressed grave concern about the current deterioration of our education system. They held that the party and state are still uncertain about looking for solutions. At certain times and places, negligence has prevailed and negative effects have developed in both teaching and learning among teachers and students.

Looking from different angles, Educators Nguyen Ngan, Hoang Xuan Chinh, Phan Dinh Dieu, Doan Trung Ton, Tran Ba Hoanh, Cao Xuan Tu, and so forth, in their dissertations all agreed that the most serious risk is in lagging further behind. However, if we try to reduce this risk without giving the appropriate consideration to education and human resources development from a very early stage, the risk of lagging further behind in regional and world standards will increase.

One scientist said that in specific cases, to obtain a new technology or modern equipment to catch up with others is possible. However, there is no short cut in science, because even if we catch up, others will continue to progress and we will still lag behind. To overcome backwardness, there is no other way than to invest more in developing human resources, and training future talent in a systematic and proper way. Nurturing talent is not limited to the development of special classes or tutoring contestants for international contests. It is also not limited to the university. Rather, it should start from the secondary or even primary level.

Education reform is a big and urgent issue, and because its targets are human beings, it requires utmost precaution. Poorly prepared experiments cannot be allowed. Experience has shown that to hastily make changes in the name of reform which prove later to be wrong, a whole generation of students can be ruined. An example is the reform of the written script.

All delegates supported the recommendation of the People's Teacher title holder Nguyen Lan who said that in order to make schools, teachers, and students worthy of their titles, the first suggestion to the party and state is to increase investment in education, no matter how much difficulties that will cause. The wages of teachers should be raised so that they can make ends meet and be comfortable enough to stay in class and convey their knowledge to students. If teachers still have to use their important energy and time to teach after schoolhours, the quality of the main school work will be affected and ill consequences will result. The money earned from out-of-school tutoring will rob the respect of students for teachers, and the respect of teachers for the profession. The teacher-student relationship will be reduced to that of a seller and buyer. Among teachers themselves, a rich-poor gap will emerge between teachers who tutor after schoolhours and those who do not. These negative incidents will destroy our educational traditions of high-regard for teachers and such ties. Therefore, the immediate step to prevent the further deterioration of education is to raise teachers' wages and ban teaching after schoolhours.

Educator Nguyen Lan said: In our time, we did not have to go to classes after school, and we are all well educated. Now students go to extra classes, and their standards are still low. Nowhere in the world do students go to extra classes like in Vietnam, and it is extremely illogical and unscientific to force first grade students to go for extra tuition. I once suggested to Prime Minister Vo Van Kiet to ban teachers from giving extra tuition, like the ban on firecrackers. Some time after that there was a directive from education authority imposing some limits on extra tuition. To limit does not mean to ban, and there are many ways to avoid it.

The time for suggestions was limited while the number of issues to be discussed was numerous. Only two-thirds of those attending had a chance to give their views. Many delegates who did not have a chance to speak submitted their written statements to the organizing committee. Opinions vary, but they were all received warmly. Worthy of note is the frankness and the constructive spirit coupled with a high sense of responsibility reflecting the warm enthusiasm and concern of members of the presidium of the Fatherland Front for the national revolution undertaking.

Province's Party Installations Hold Congresses

BK1910135495 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 19 Oct 95

[FBIS Translated Text] By the end of the third quarter, 160 party installations in Can Tho Province have organized congresses. Generally speaking, party installation congresses this time have achieved results in terms of personnel, agenda of discussions, and forms of organization, thus reflecting the sense of responsibility of party members and party installations.

Some party installations, however, still did not know how to define the functions and duties of each form of party installations. The compilation of resolutions was yet to be based on real life situations. This was particularly true when it comes to restructuring the economies of rural areas. As the number of party committee members reelected accounted for 66.49 percent, the average age of party committee members was old. A number of party committee members were retired cadres. The percentage of women party committee members was low, especially at the village level.

Lao Party Delegation Pays 10-Day Visit

BK1910085295 Hanoi VNA in English 0600 GMT 19 Oct 95

[FBIS Transcribed Text] Hanoi VNA Oct. 19—An expert group from the Control Commission of the People's Revolutionary Party of Laos Central Committee (PRP CC) led by deputy head and member of the PRPL CC Mr. Khamman Sounvileut, has paid a ten-day working visit to Vietnam.

While here, the group held talks with a delegation of the control commission of the Communist Party of Vietnam Central Committee (CPV CC) led by its deputy head Mr. Le Van Kien, CPV CC member, and was received by Mr. Do Quang Thang, Politburo member, secretary of the CPVCC and head of the control commission.

It also had working sessions with party officials of Hanoi, Ho Chi Minh City and the Provinces of Quang Ninh and Can Tho. During these meetings, the Lao guests expressed their satisfaction at Vietnam's achievements in economic development and the implementation of its social policies. It paid much attention to the ties between the party and state, the training of the party cadres and members, and the treatment of party members who are accused of corruption, and issues relating to control work.

Customs Official Discusses Tariff Adjustment

BK2010015395 Ho Chi Minh City THOI BAO KINH TE SAIGON in Vietnamese 21-27 Sep 95 p 7

[Interview with Bui Duy Bao, deputy director general of Customs General Department, by correspondent Ha Thanh Son; place and date not given]

[FBIS Translated Text] [Ha Thanh Son] Could you please give us an overview of external relations activities of the Vietnam Customs in the recent past?

[Bui Duy Bao] Since Vietnam adopted an "open-door" policy and established economic relations with all nations of the world, the expansion of cooperative relations with the customs services of foreign countries in the world is considered an important duty of our sector, and has become an important part of our activities.

In accordance with a common trend, the task of facilitating merchandise traffic among Southeast Asian countries, and later to a larger scope with the world, imposes great responsibility on the contingent of cadres and employees of the Vietnam Customs. In a relatively short time, we have established working relations with the customs authorities of France, the United Kingdom, Hong Kong, Australia, the United States, Canada, South Korea, and ASEAN member countries. Implementation of the SYDONIA automation and computer project in all customs operations with funding from UNDP [United Nations Development Program] and French Customs has created fundamental progress in the operational quality of the Vietnam Customs' modernization process. This is only the first step, but it already shows that the introduction of new technologies into customs activities is the solution for shortening the gap between our service and that of foreign countries.

In July 1993, Vietnam Customs officially joined the World Customs Organization, a step that creates favorable conditions for us to learn and exchange experiences with regional customs services. This is an important step marking the expansion of international cooperation. Vietnam Customs has also signed a cooperation agreement with South Korea. The bridge has been laid, but how we proceed to catch up and integrate will depend largely on our keenness and efforts to renovate ourselves.

[Ha Thanh Son] This past August, Vietnam Customs attended a conference on ASEAN customs services. As head of the delegation, could you please give us some of your impressions?

[Bui Duy Bao] With Vietnam as an official ASEAN member, one of the major concerns of other ASEAN countries is how Vietnam will adapt its policies and laws to join the common effect preferential tariff (CEPT) program, and the ASEAN free trade area (AFTA) plan.

As a matter of fact, from 1 January 1996 ASEAN countries will begin to unify tariffs and to classify goods using the six-digit method according to the convention on the H.S. [expansion unknown] system, and the eight-digit method at the national level. In September 1995, customs services of ASEAN member countries should complete the first draft of a list in accordance with the H.S. system and adjusted lists of goods by each member country (specific tariff not included). By November, the H.S. system list should be completed with all necessary adjustments, and should be submitted to the ASEAN Secretariat. Vietnam Customs is now facing a series of big issues that must be achieved in a short time with very limited experience.

[Ha Thanh Son] Specifically speaking, what will be changed to achieve uniformity?

[Bui Duy Gao] We have been trying, and will continue to try to reach uniformity with other countries on a list of goods and tariffs, the customs value assessment system, customs procedures and declaration formats, exemption from prior inspection of goods from ASEAN member countries importing or exporting within the region should any regional country exercises this practice. If we do not actively speed up our work, we will not be able to respond to all the demands in time.

[Ha Thanh Son] What has Vietnam Customs done recently to speed up the integration process?

[Bui Duy Bao] The customs sector is now carrying out administrative reforms in parallel with preparations for comprehensive integration. In the first six months of this year alone, we have sent 24 missions abroad; seven of them were high-ranking leaders of the general department attending international and ASEAN customs conferences. In addition, we have received nine customs delegations from foreign countries who came to share their experience or to help in professional operations. The French Customs Service is helping us very effectively with training programs, as well as in other areas. We are also cooperating with Australia on a project to "enhance the professional competence of Vietnam Customs Service". This is very essential to us if we want to build a professional customs force.

Along with the effort to upgrade professional competence of customs cadres and employees, we are trying to obtain more modern equipment and other facilities, so that we can establish a uniform and effective communication network connecting central offices to all ports and posts, thus paving the way to integration in the international customs communication network.

[Ha Thanh Son] One last question: Is there any change in procedures? For example, tax exemption criteria?

[Bui Duy Bao] No change so far in that area. We still follow Decision 17/CP of the government. We are, however, thinking of petitioning the government for some adjustments.

Foreign Businesses in Ho Chi Minh City Viewed

BK2010044995 Ho Chi Minh City THOI BAO KINH TE SAIGON in Vietnamese 21-27 Sep 95 p 9

[Report by Kieu An]

[FBIS Translated Text] As of 30 August 1995, statistics show that in Ho Chi Minh City there have been 1,041 foreign representative offices licensed by the Ministry of Trade, representing over 60 percent of the total nationwide figure. Among them, over 900 representative offices belonging to 42 countries and territories are officially operating and have been registered with the Trade Office of Ho Chi Minh City, while the remainder has either not started operating or has not registered, or their licenses have expired.

In the early 1990's, each year Ho Chi Minh City had over 100 new representative offices. Recently the number has increased to 200 each year, and in 1995, the number of new representative offices could reach three to four hundred. The rapid increase shows that Ho Chi Minh City still takes the lead in attracting foreign businesses.

Taking a more in-depth look, we can see that in the early years most representative offices belonged to small companies operating mainly by implementing trading contacts. But in later years more and more offices of multinational corporations and world leading trading companies which conduct more diversified activities began operating.

The following figures are based on statistics compiled up to 22 August 1995:

— Total of officially-operated representative offices	879
— Trading contact representative offices	482
— Consulting services offices	155
— Manufacturing company offices	91
— Aviation representative offices	28
— Marine transport offices	27
— Foreign bank offices	38

In the banking area, a number of the world's largest banks have come to Ho Chi Minh City, such as Fuji Bank, Sanwa, Mitsubishi Bank, Sakura, Hong Kong Shanghai Bank, Citibank, and so forth.

Among America's 100 largest companies, 24 have set up representative offices in Ho Chi Minh City, and others are waiting. Over 100 of the world's 500 largest corporations already have offices in this city. Some familiar names are BP Oil (U.K.), Shell (U.K.), Thyssen (Germany), Siemens (Germany), Dupont (U.S.A.), Kodak (U.S.A.), Samsung (South Korea), Elf (France), Daewoo (South Korea), and a group of Japanese companies such as Hitachi, Sharp, Honda, Sony, and so forth.

The list continues to grow. At present the number of foreign representative offices is growing at an average of one office per day.

Should we be happy or concerned? The state authority responsible for the activities of foreign representative offices believe that the fast growth of these offices should be greeted with joy. These representative offices have quickly became "the link" between an "opening" Vietnam and the world. In the early 1990's, many representative offices efficiently cooperated with Vietnamese partners in boosting the development of the import-export industry, ensuring stability in supplying sources of fuel, material, and equipment which were extremely essential at the time. And in the ensuing years these representative offices also "stimulated" economic activity to make "fundamental changes" and grow up in fields such as insurance, banking, navigation, foreign trade transaction, and so forth.

In addition, some representative offices are actually training centers, producing Vietnamese businessmen and office managers with updated knowledge and a modern working attitude — both a prerequisite for the integration and development process. Records of the Ho Chi Minh City Trade Office show that at present 1,700 Vietnamese people are registered as employees of foreign representative offices. The actual figure should be over 3,000, and this contingent is constantly supplemented and reorganized.

We should also include the direct benefit of newly-emerging services for the burgeoning sector of representative offices. The office space leases alone provide the city with an income of no less than $20 million. Another half of that amount is derived from living expenses of the expatriate community which numbers about 1,000. And that does not include wages for Vietnamese employees and other services.

On the other hand, however, the exceedingly rapid growth of representative offices, official and unofficial, has inevitably created certain pressures on our social life.

The demand for office space and residences for foreigners has been, and will continue to be a big pressure for many years to come. "Office space rent in Ho Chi Minh City is at present the third most expensive in Southeast Asia, only after Hong Kong and Shanghai," the head of an American company representative office told a THOI BAO KINH TE SAIGON correspondent.

The fast income rise of a small group of urbanites working for or having business relations with foreigners coupled with their better living standards in comparison with a much larger community that is still struggling, is a cause for social effects and concerns. The average monthly wage of an employee in a representative office is about $100-120, while the earnings of a comparable employee in a Vietnamese office or agency is only a third or half of that amount.

Furthermore, against the background of our ambiguous and incomplete legal system and the intentional wrongdoing of a number of foreign businessmen, some displeasing incidents related to representative offices have occurred. The incidence of earning tax evasion is improving though it still exists. Some places do not observe Vietnamese laws and regulations on employee recruitment. Procedures on renting offices and residential spaces are not strictly followed.

The most critical issue is that some representative offices conduct illegal business activities and cause instability on the market. Inspections by the Ministry of Trade and Trade Office of Ho Chi Minh City have discovered many instances of this.

It is a matter of course that these problems are unavoidable in the early stage of the open-door process. Foreign businessmen alone should not be entirely blamed for their improper observation of our rules, but the shoddy management capacity of Vietnamese agencies somehow contributes to the situation. At any rate, this issue deserves more attention.

A review of the five-year implementation of regulations related to representative offices gives us an opportunity to learn from past experiences, and to improve the management of the representative offices. Representative offices can only operate well in an environment of sound management.

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